

SOUTHERN REGIONAL SCHOOL DISTRICT

Manahawkin, New Jersey
County of Ocean

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

SOUTHERN REGIONAL SCHOOL DISTRICT

MANAHAWKIN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

**Southern Regional School District
School Business Administrator/Board Secretary**

OUTLINE OF ACFR - GASB #34

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditors' Report	10
 REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	15
 BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	31
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36
Notes to Financial Statements	38
 REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	81
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	87
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	89

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	92
L-2 Schedule of District Contributions - PERS	93
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	94
L-4 Schedule of School District Contributions	95
M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75):	
M-1 Schedule of Change in the Net OPEB Liability and Realtd Ratios - OPEB	97
Notes to the Required Supplementary Information - Part III	98
D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	102
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	106
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	107
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Middle School Window Project	108
F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - High School Renovations	109
F-2c Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Boiler Project	110
F-2d Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Track Resurfacing	111
F-2e Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Paving and Drainage - High School	112
F-2f Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - High School Fields & HVAC	113
F-2g Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Middle School Improvements	114
F-2h Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - High School Improvements	115
F-2i Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Adminstration Buildings Improvements	116
F-2j Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - High School Ground Improvements	117
F-2k Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Middle School HVAC	118
F-2l Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - High School Interior Renovations	119
F-2m Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Parking Lots	120
F-2n Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Bus Garage	121
F-2o Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Admin HVAC	122

G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	125
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	126
G-3 Combining Statement of Cash Flows	127
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Financed Purchased	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	130
I-5 Schedule of Compensated Absences	131
Financial Trends:	
J-1 Net Position by Component	134
J-2 Changes in Net Position	135
J-3 Fund Balances - Governmental Funds	138
J-4 Changes in Fund Balance - Governmental Funds	139
J-5 Other Local Revenue by Source - General Fund	142
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	143
J-7 Direct & Overlapping Property Tax Rates	147
J-8 Principal Property Taxpayers	151
J-9 Property Tax Levies & Collections	152
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	156
J-11 Ratios of General Bonded Debt Outstanding	156
J-12 Direct & Overlapping Governmental Activities Debt	156
J-13 Legal Debt Margin Information	157
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	158
J-15 Principal Employers	159
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	160
J-17 Operating Statistics	161
J-18 School Building Information	162
J-19 Schedule of Required Maintenance	163
J-20 Insurance Schedule	163

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	165
K-2 Independent Auditors' 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	167
K-3 Schedule of Expenditures of Federal Awards, Schedule A	171
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	172
K-5 Notes to Schedules of Awards and Financial Assistance	173
K-6 Schedule of Findings & Questioned Costs	176
K-7 Summary Schedule of Prior Audit Findings	180

INTRODUCTORY SECTION



SOUTHERN REGIONAL HIGH SCHOOL DISTRICT

OF OCEAN COUNTY

January 8, 2026

Honorable President and Members
of the Board of Education
Southern Regional High School District
Manahawkin, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Southern Regional School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Florence Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 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 Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

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

The School District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular and vocational as well as special education for children with special needs. The School District's enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	2,642	-1.49%
2023-2024	2,682	-2.76%
2022-2023	2,758	-1.89%
2021-2022	2,811	-0.88%
2020-2021	2,836	-0.67%
2019-2020	2,855	-0.07%
2018-2019	2,857	0.67%
2017-2018	2,838	-1.18%
2016-2017	2,872	-0.17%
2015-2016	2,877	-2.51%

ECONOMIC CONDITION AND OUTLOOK

Residential development in Stafford Township is in its last stages; new housing starts are on the decline each year. Residential development in the Island communities has stabilized in recent years with most of the development being larger seasonal residences replacing older existing seasonal residences. It is anticipated that this development in the Island communities will continue for the short term as the housing stock is updated. The Ocean Township community is beginning a period of greater residential construction that is anticipated to lead to a growth in student enrollment. This growth in enrollment can be fully accommodated within the existing school facilities.

The district has fully recovered from the financial impact related to the COVID-19 pandemic. The district anticipates experiencing challenges related to industry-wide medical cost inflation that impacts its employee benefit annual costs. The district believes that it is well positioned financially

for the duration of its long-term budgetary planning period, but that health insurance inflation may require operational adjustment based on overall available funding levels. Additionally, the State of NJ is considering adjustments to the school funding formula which may have an impact on the district's long-term budgetary plans.

MAJOR INITIATIVES

The Southern Regional School District has long been recognized as an incredibly comprehensive, innovative and challenging school system, which prides itself in its multitude of programs, progressive initiatives and boundless energy. Driven by an extremely qualified and competent faculty, Southern Regional is determined to be a leadership force in education.

Southern Regional offers over 200 courses from which students can select. The courses are designed to appeal to a wide variety of student interests. Twenty-one Advanced Placement courses are offered in English, History, Mathematics, Science, Art, Music and World Languages. Twenty-five dual enrollment courses are offered in conjunction with Stockton University and Ocean County Community College to allow students to earn college credit while still enrolled in high school. Technology-related courses, from the traditional to the highly technical, focus on problem solving, experimental design, and creativity. The Health and Physical Education program are elective based with a strong emphasis on lifelong wellness and making intelligent lifestyle choices.

Project Adventure, an outdoor leadership education program, is also offered. The special needs of our students are addressed as well. We offer self-contained autistic, resource, severe learning and language disabilities, emotional regulation impairment, adaptive success and in-class support programs. In addition to the academic programs, Southern Regional offers students over seventy co-curricular and more than forty-five interscholastic programs. Through the Guidance and Student Assistance Programs, Southern Regional provides opportunities and support systems, which counsel and assist students in making choices that will direct them to a more productive and successful experience. Southern Regional High School is a school "Committed to Excellence" in our faculty, staff, students and community. To this end, the District hopes to construct a learning environment in which its students are encouraged to serve, challenged to grow and empowered to succeed.

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

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

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

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

AWARDS

The Southern Regional School District continues to be judged as the lighthouse district in the area by leading the way on many fronts. Southern's SAT scores are amongst the top in Ocean County. For the past ten years a Southern graduate has received a prestigious military academy appointment. In several of these ten years, multiple military appointments have been awarded to Southern graduates. Southern graduates continue to populate the most prestigious colleges and universities in the country. Southern teachers are distinguished professionals who have received awards too numerous to mention. Southern's music program is considered one of the finest in the area. The Marching Band has accomplished State championship status multiple times during the last several years. The middle school's Literacy and Lunch program has become a model for middle schools throughout the area. The district's athletic program continues to excel on a regional and statewide level while demonstrating the academic excellence that grows from a vibrant extracurricular program involving the students in the full educational experience.

ACKNOWLEDGEMENTS

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

Respectfully Submitted,

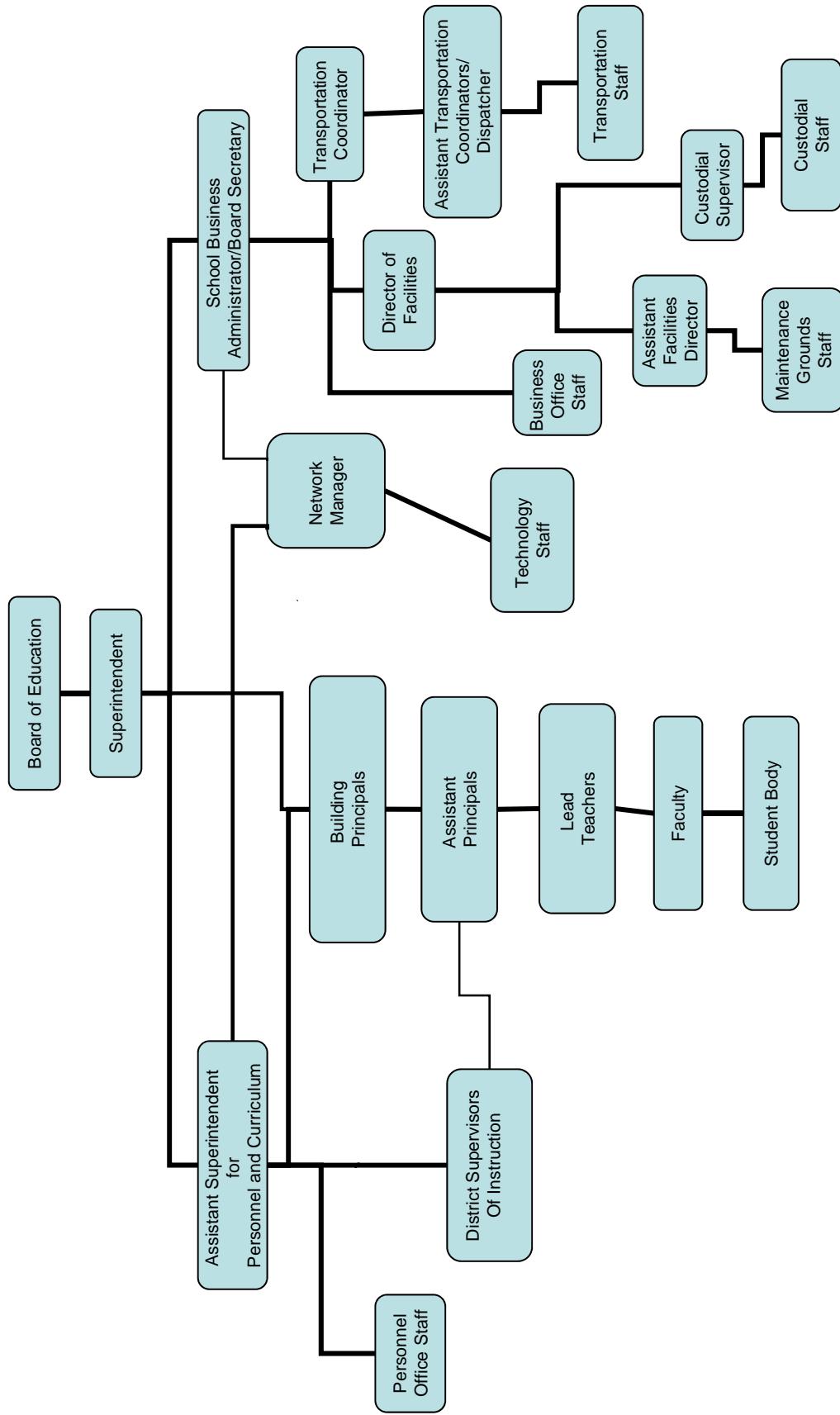
Craig Henry

Mr. Craig Henry
Superintendent

Steven Terhune

Mr. Steven Terhune
School Business Administrator/
Board Secretary

Southern Regional School District Organization Chart



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

ROSTER OF OFFICIALS

June 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Terry Deakyner, President	2026
Michael Taylor, Vice President	2028
Kevin Lyons	2026
Bethanne A. Markoski	2026
Paul Sharkey	2027
Heather Tatur	2027
Christopher Taylor	2027
Kelly Zuzic	2025
Steven Berkheise	2028
Keith Weidenhof	2028

OTHER OFFICIALS

Craig Henry, Superintendent
Megan Vile, Assistant Superintendent
Steven Terhune, Business Administrator/Board Secretary
Kevin O'Shea, Treasurer of School Monies
Laura Benson, Board Attorney

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

Michael Holt, CPA, PSA
Holt McNally & Associates, Inc.
105 Atsion Road, Suite I
Medford, NJ 08055

ARCHITECTS

Garrison Architects
406 Lippincott Drive
Marlton, NJ 08053

ATTORNEYS

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

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

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

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION



Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Southern Regional School District
County of Ocean
Manahawkin, New Jersey

Report on the 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 Southern Regional School District, County of Ocean, 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 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 Southern Regional School District, County of Ocean, 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 *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. 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.

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 accompanying combining and individual fund financial 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 and individual fund financial statements, long-term debt 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 January 8, 2026 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

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

Medford, New Jersey
January 8, 2026

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

As management of the Southern Regional School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 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, and Debt Service Fund. Business-type activities reflect the Food Service Fund and Community Education Fund.

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

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 one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

Table 1 on the following page provides a summary of the School District's net position for the fiscal year 2025 compared to fiscal year 2024.

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

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

Table 1
Summary of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Current & Other Assets	\$ 31,454,130	\$ 31,946,351	\$ (492,221)	-1.5%
Capital Assets, Net	45,612,824	45,823,130	(210,306)	-0.5%
Total Assets	<u>77,066,954</u>	<u>77,769,481</u>	<u>(702,527)</u>	<u>-0.9%</u>
Deferred Outflow of Resources	1,769,828	1,845,725	(75,897)	-4.1%
Current and other Liabilities	2,114,508	1,937,219	177,289	9.2%
Noncurrent Liabilities	17,711,121	18,539,591	(828,470)	-4.5%
Total Liabilities	<u>19,825,629</u>	<u>20,476,810</u>	<u>(651,181)</u>	<u>-3.2%</u>
Deferred Inflow of Resources	1,409,054	1,225,823	183,231	14.9%
Net Position:				
Net Investment in Capital Assets	45,612,824	45,823,130	(210,306)	-0.5%
Restricted	23,657,595	26,939,459	(3,281,864)	-12.2%
Unrestricted (Deficit)	(11,668,320)	(14,850,016)	3,181,696	-21.4%
Total Net Position	<u>\$ 57,602,099</u>	<u>\$ 57,912,573</u>	<u>\$ (310,474)</u>	<u>-0.5%</u>

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

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

Table 2
Summary of Changes in Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 639,723	\$ 681,598	\$ (41,875)	-6.1%
Operating Grants & Contributions	7,375,159	9,911,162	(2,536,003)	-25.6%
General Revenues:				
Property Taxes	51,688,603	50,254,950	1,433,653	2.9%
Federal & State Aid	5,144,110	4,739,572	404,538	8.5%
Tuition	8,127,701	6,823,927	1,303,774	19.1%
Other General Revenues	4,179,284	3,966,146	213,138	5.4%
Special Items:				
(Loss) on Fixed Asset Appraisal	17,097	(21,079)	38,176	-181.1%
Total Revenues	<u>77,171,677</u>	<u>76,356,276</u>	<u>815,401</u>	<u>1.1%</u>
Function/Program Expenditures:				
Instruction	33,125,398	32,010,113	1,115,285	3.5%
Tuition	296,872	744,607	(447,735)	-60.1%
Student & Instruction Related Services	10,235,536	9,333,657	901,879	9.7%
School Administrative Services	2,251,930	2,174,148	77,782	3.6%
General Administrative Services	1,029,929	1,055,579	(25,650)	-2.4%
Central Services	1,001,927	951,292	50,635	5.3%
Other Administrative Services	598,025	611,849	(13,824)	-2.3%
Plant Operations & Maintenance	9,929,918	6,486,019	3,443,899	53.1%
Pupil Transportation	6,447,933	6,405,853	42,080	0.7%
Unallocated Benefits	8,776,728	9,264,257	(487,529)	-5.3%
Interest & Other Charges	38,250	38,250	-	0.0%
Unallocated Depreciation	2,592,579	2,370,177	222,402	9.4%
Food Service/Community Education	1,157,126	1,083,773	73,353	6.8%
Total Expenditures	<u>77,482,151</u>	<u>72,529,574</u>	<u>4,952,577</u>	<u>6.8%</u>
Change In Net Position	(310,474)	3,826,702	(4,137,176)	-108.1%
Net Position - Beginning	57,912,573	54,085,871	3,826,702	7.1%
Net Position - Ending	<u>\$ 57,602,099</u>	<u>\$ 57,912,573</u>	<u>\$ (310,474)</u>	<u>-0.5%</u>

Governmental Activities

During the fiscal year 2025, the net position of governmental activities decreased by \$315,722. The primary reasons for the decrease were inflation of labor costs, adjustments for fixed assets that were fully depreciated and the increase in compensated absences per new GASB 101 standards.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$56,811,993, with an unrestricted deficit balance of \$12,031,317. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (12,031,317)
Plus: PERS Pension Liability	12,114,958
Less: Deferred Outflows Related to Pensions	(1,769,828)
Plus: Deferred Inflows Related to Pensions	<u>1,409,054</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (277,133)</u>

Business-Type Activities

During the fiscal year 2025, the net position of business-type activities increased by \$5,248. The primary reason was increases in reimbursement rates as well as additional federal aid.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$790,106.

General Fund Budgeting Highlights

Final budgeted revenues was \$65,398,314, which was unchanged from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$1,742,263.

Final budgeted appropriations was \$76,647,304, which was an increase of \$8,230,680 from the original budget. The increase is due to prior year encumbrances, a transfer to the capital projects fund, and a transfer from the maintenance reserve. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$4,452,273.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$18,891,937 at June 30, 2025.

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

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$30,177,584, a decrease of \$641,346 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$3,989,559 to \$18,477,157 at June 30, 2025, compared to an decrease of \$2,221,037 in fund balance in the prior fiscal year.

Special revenue fund - The special revenue fund balance increased by \$89,163 to \$1,066,020.

Capital projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund increased by \$3,259,076 to \$10,634,407 at June 30, 2025, compared to a increase of \$983,800 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- The District continues to implement its capital improvement plans which result in fund balance changes depending on the phasing of planned projects.
- The District appropriated a new Admin HVAC project in the 2024-2025 school year.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$26 to \$0 at June 30, 2025, compared to no change in fund balance in the prior fiscal year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$4,567 to \$777,291 at June 30, 2025, compared to an increase of \$55,773 in fund balance in the prior fiscal year.

Community education fund - During the current fiscal year, the net position of the School District's community education fund increased by \$681 to \$12,185 at June 30, 2025.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2025, totaled \$45,612,824 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles and machinery and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$210,306. This increase is primarily due to ongoing construction projects. Table 4 shows fiscal 2025 balances compared to 2024.

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

Capital Assets (continued):

Table 4
Summary of Capital Assets

Capital Assets	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Land	\$ 2,525,711	\$ 2,525,711	\$ -	0.0%
Construction in Progress	10,728,800	13,120,490	(2,391,690)	-18.2%
Building and Improvements	56,527,682	51,556,423	4,971,259	9.6%
Vehicles	7,866,725	7,756,629	110,096	1.4%
Machinery and Equipment	11,763,115	14,330,674	(2,567,559)	-17.9%
Capital Assets, Gross	89,412,033	89,289,927	122,106	0.1%
Accumulated Depreciation	(43,799,209)	(43,466,797)	(332,412)	0.8%
Capital Assets, Net	\$ 45,612,824	\$ 45,823,130	\$ (210,306)	-0.5%

Depreciation expense for the year was \$2,654,617. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had no bonded debt outstanding.

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

Factors on the School District's Future

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

The School District faces an uncertain impact on two areas outside of its control. The first area is the short-term and long-term obligations under the Pension Funds managed by the State of NJ. Any changes in the plans or statutes could have a positive or negative impact on the financial operations of the school district. The second area is State Aid provided to the district by the State of NJ. It is anticipated that the State of NJ will alter the funding levels received by the school district in the near term. Based on the impact realized by the school district in the 2024-2025 school year the district anticipates that these changes will likely have a positive impact on the financial position of the school district.

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

Contacting the School Districts Financial Management

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

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements

EXHIBIT A-1
**SOUTHERN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS	GOVERNMENTAL BUSINESS-TYPE ACTIVITIES ACTIVITIES			TOTAL
Cash & Cash Equivalents	\$ 13,628,950	\$ 323,368	\$ 13,952,318	
Receivables, Net (Note 4)	4,038,690	31,581	4,070,271	
Internal Balances	(12,872)	12,872	-	
Inventory	-	13,643	13,643	
Restricted Cash & Cash Equivalents	13,417,898	-	13,417,898	
Capital Assets, Net (Note 5)				
Non-Depreciable	13,254,511	-	13,254,511	
Depreciable	31,931,204	427,109	32,358,313	
Total Assets	76,258,381	808,573	77,066,954	
DEFERRED OUTFLOW OF RESOURCES				
Related to Pensions (Note 8)	1,769,828	-	1,769,828	
Total Deferred Outflow of Resources	1,769,828	-	1,769,828	
Total Assets and Deferred Outflow of Resources	78,028,209	808,573	78,836,782	
LIABILITIES				
Accounts Payable	804,630	-	804,630	
Due to Other Governments	1,204,312	-	1,204,312	
Other Liabilities	86,794	-	86,794	
Unearned Revenue	305	18,467	18,772	
Noncurrent Liabilities (Note 7):				
Due Beyond One Year	17,711,121	-	17,711,121	
Total Liabilities	19,807,162	18,467	19,825,629	
DEFERRED INFLOW OF RESOURCES				
Deferred Inflows Related to Pensions (Note 8)	1,409,054	-	1,409,054	
Total Deferred Inflow of Resources	1,409,054	-	1,409,054	
Total Liabilities and Deferred Inflow of Resources	21,216,216	18,467	21,234,683	
NET POSITION				
Net Investment in Capital Assets	45,185,715	427,109	45,612,824	
Restricted For:				
Capital Projects	15,843,437	-	15,843,437	
Excess Surplus	2,177,272	-	2,177,272	
Maintenance Reserve	2,636,920	-	2,636,920	
Tuition Reserve	1,600,000	-	1,600,000	
Unemployment Compensation	333,946	-	333,946	
Scholarships	216,069	-	216,069	
Student Activities	849,951	-	849,951	
Unrestricted	(12,031,317)	362,997	(11,668,320)	
Total Net Position	\$ 56,811,993	\$ 790,106	\$ 57,602,099	

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

EXHIBIT A-2
(Page 1 of 2)

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

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES		BUSINESS- TYPE ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Regular	\$ 22,509,110	\$ 8,270,255	\$ -	\$ 1,166,577	\$ (22,509,110)
Special Education					\$ (7,103,678)
Other Instruction					(2,346,033)
Support Services:					
Tuition	296,872	-	-	(296,872)	(296,872)
Student & Instruction Related Services	9,275,380	-	79,940	(9,195,440)	(9,195,440)
Health Services	419,526	-	-	(419,526)	(419,526)
Educational Media Services/School Library	540,630	-	-	(540,630)	(540,630)
School Administrative Services	2,251,930	-	-	(2,251,930)	(2,251,930)
General Administration	1,029,929	-	-	(1,029,929)	(1,029,929)
Central Services	1,001,927	-	-	(1,001,927)	(1,001,927)
Administrative Information Technology	598,025	-	-	(598,025)	(598,025)
Plant Operations & Maintenance	9,929,918	-	-	(9,929,918)	(9,929,918)
Pupil Transportation	6,447,933	-	-	(6,447,933)	(6,447,933)
Unallocated Benefits	8,776,728	-	5,641,003	(3,135,725)	(3,135,725)
Interest and Charges on Long-Term Debt	38,250	-	-	(38,250)	(38,250)
Unallocated Depreciation	2,592,579	-	-	(2,592,579)	(2,592,579)
Total Governmental Activities	76,325,025	-	6,887,520	(69,437,505)	(69,437,505)

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	TYPE ACTIVITIES	TOTAL
Business-Type Activities:						
Food Service	1,152,757	634,673	487,639	-	(30,445)	(30,445)
Community Education	4,369	5,050	-	-	681	681
	1,157,126	639,723	487,639	-	(29,764)	(29,764)
Total Business-Type Activities						
	\$ 77,482,151	\$ 639,723	\$ 7,375,159	(69,437,505)	(29,764)	(69,467,269)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				51,688,603	-	51,688,603
Federal & State Aid Not Restricted				5,144,110	-	5,144,110
Tuition Charges				8,127,701	-	8,127,701
Transportation				822,620	-	822,620
Investment Earnings				20,000	17,915	37,915
Miscellaneous Income				3,318,749	-	3,318,749
Loss on Capital Assets				-	17,097	17,097
				69,121,783	35,012	69,156,795
Total General Revenues, Special Items, Extraordinary Items & Transfers						
Change In Net Position				(315,722)	5,248	(310,474)
Net Position - Beginning				57,127,715	784,858	57,912,573
Net Position - Ending				\$ 56,811,993	\$ 790,106	\$ 57,602,099

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

B. Fund Financial Statements

Governmental Funds

SOUTHERN REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

ASSETS	GENERAL	SPECIAL	CAPITAL	TOTAL
	FUND	REVENUE	PROJECTS	
Cash & Cash Equivalents	\$ 4,440,470	\$ 855,496	\$ 8,332,984	\$ 13,628,950
Receivables from Other Governments	1,292,089	301,177	2,301,423	3,894,689
Other Accounts Receivable	144,001	-	-	144,001
Interfund Accounts Receivable	106,116	-	-	106,116
Restricted Cash & Cash Equivalents	13,417,898	-	-	13,417,898
 Total Assets	 \$ 19,400,574	 \$ 1,156,673	 \$ 10,634,407	 \$ 31,191,654

LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ 19,859	\$ -	\$ 19,859	
Intergovernmental Payable:					
State	-	3,353	-	3,353	
Interfund Accounts Payable	51,852	67,136	-	118,988	
Payroll Deductions and Withholdings Payable	731,775	-	-	731,775	
Unemployment Compensation Claims Payable	52,996	-	-	52,996	
Unearned Revenue	-	305	-	305	
Other Liabilities	86,794	-	-	86,794	
 Total Liabilities	 923,417	 90,653	 -	 1,014,070	
Fund Balances:					
Restricted for:					
Maintenance Reserve	2,636,920	-	-	2,636,920	
Capital Reserve Account	8,847,032	-	-	8,847,032	
Tuition Reserve	1,600,000	-	-	1,600,000	
Excess Surplus - Designated for Subsequent Year's Expenditures	390,711	-	-	390,711	
Excess Surplus	1,786,561	-	-	1,786,561	
Unemployment Fund	333,946	-	-	333,946	
Capital Projects Fund	-	-	6,996,405	6,996,405	
Scholarships	-	216,069	-	216,069	
Student Activities	-	849,951	-	849,951	
Assigned to:					
Other Purposes	456,733	-	3,638,002	4,094,735	
Designated for Subsequent Year	621,529	-	-	621,529	
Unassigned:					
General Fund	1,803,725	-	-	1,803,725	
 Total Fund Balances	 18,477,157	 1,066,020	 10,634,407	 30,177,584	
 Total Liabilities & Fund Balances	 \$ 19,400,574	 \$ 1,156,673	 \$ 10,634,407		

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 \$88,477,517 and the accumulated depreciation is \$43,291,802.

\$ 45,185,715

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	1,769,828
Deferred Inflows related to pensions	(1,409,054)

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.

(1,200,959)

Long-term liabilities, including net pension liability and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(17,711,121)

Net position of Governmental Activities **\$ 56,811,993**

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

**SOUTHERN REGIONAL 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	\$ 51,688,603	\$ -	\$ -	\$ -	\$ 51,688,603
Tuition	8,127,701	-	-	-	8,127,701
Transportation	822,620	-	-	-	822,620
Interest Earned on Capital Reserve Funds	10,000	-	-	-	10,000
Interest Earned on Maintenance Reserve Funds	10,000	-	-	-	10,000
Miscellaneous	1,301,419	2,017,330	-	-	3,318,749
Total Local Sources	61,960,343	2,017,330	-	-	63,977,673
State Sources	18,534,401	26,624	-	-	18,561,025
Federal Sources	21,180	1,212,015	-	-	1,233,195
Total Revenues	80,515,924	3,255,969	-	-	83,771,893
Expenditures:					
Current Expense:					
Regular Instruction	22,509,110	-	-	-	22,509,110
Special Education Instruction	7,228,558	1,041,697	-	-	8,270,255
Other Instruction	2,346,033	-	-	-	2,346,033
Support Services:					
Tuition	296,872	-	-	-	296,872
Student & Instruction Related Services	7,275,151	2,000,229	-	-	9,275,380
Health Services	419,526	-	-	-	419,526
Educational Media Services/					
School Library	540,630	-	-	-	540,630
Instructional Staff Training	6,534	-	-	-	6,534
General Administrative	1,023,395	-	-	-	1,023,395
School Administrative Services	2,251,930	-	-	-	2,251,930
Central Services	1,001,927	-	-	-	1,001,927
Administrative Information Technology	598,025	-	-	-	598,025
Plant Operations & Maintenance	7,682,060	-	-	-	7,682,060
Pupil Transportation	6,447,933	-	-	-	6,447,933
Employee Benefits	3,717,324	-	-	-	3,717,324
On Behalf TPAF Pension and Social Security Contributions	13,411,471	-	-	-	13,411,471
Debt Service:					
Interest & Other Charges	38,250	-	-	-	38,250
Capital Outlay	1,941,773	124,880	2,509,931	-	4,576,584
Total Expenditures	78,736,502	3,166,806	2,509,931	-	84,413,239
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,779,422	89,163	(2,509,931)	-	(641,346)
Other Financing Sources/(Uses):					
Transfers In	1,101,019	-	6,870,000	-	7,971,019
Transfers Out	(6,870,000)	-	(1,100,993)	(26)	(7,971,019)
Total Other Financing Sources & Uses	(5,768,981)	-	5,769,007	(26)	-
Net Change in Fund Balances	(3,989,559)	89,163	3,259,076	(26)	(641,346)
Fund Balances July 1,	22,466,716	976,857	7,375,331	26	30,818,930
Fund Balances June 30,	\$ 18,477,157	\$ 1,066,020	\$ 10,634,407	\$ -	\$ 30,177,584

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

SOUTHERN REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (From B-2 & B-5) \$ (641,346)

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	\$ (2,592,579)
Deletions and Adjustments	(2,247,858)
Capital Outlays	<u>4,584,462</u>

(255,975)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

1,104,831

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 (+).

(523,232)

Change in Net Position of Governmental Activities \$ (315,722)

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

Proprietary Funds

EXHIBIT B-4

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

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL
	FOOD SERVICE FUND	COMMUNITY EDUCATION		
Current Assets:				
Cash & Cash Equivalents	\$ 310,553	\$ 12,815	\$	323,368
Receivables from Other Governments	14,568	-		14,568
Other Receivable	17,013	-		17,013
Interfund Receivable	12,872	-		12,872
Inventories	13,643	-		13,643
 Total Current Assets	 368,649	 12,815		 381,464
Fixed Assets:				
Equipment	934,516	-		934,516
Accumulated Depreciation	(507,407)	-		(507,407)
 Total Fixed Assets	 427,109	 -		 427,109
 Total Assets	 795,758	 12,815		 808,573
 LIABILITIES				
Current Liabilities:				
Unearned Revenue	18,467	-		18,467
 Total Current Liabilities	 18,467	 -		 18,467
 Total Liabilities	 18,467	 -		 18,467
 NET POSITION				
Investment in Capital Assets	427,109	-		427,109
Unrestricted	350,182	12,815	\$	362,997
 Total Net Position	 \$ 777,291	 \$ 12,815	 \$	 790,106

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

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL
Operating Revenue:			
Daily Sales - Reimbursable Programs	\$ 332,651	\$ -	\$ 332,651
Daily Sales - Nonreimbursable Programs	289,712	- -	289,712
Special Functions	12,310	- -	12,310
Miscellaneous Income	- -	5,050	5,050
 Total Operating Revenues	 634,673	 5,050	 639,723
Operating Expenses:			
Salaries	381,915	4,369	386,284
Employee Benefits	52,357	- -	52,357
Other Purchased Services	60,910	- -	60,910
Cleaning, Repair & Maintenance Services	4,039	- -	4,039
Depreciation	62,038	- -	62,038
Miscellaneous Other Expenses	5,081	- -	5,081
Cost of Sales - Reimbursable Programs	476,750	- -	476,750
Cost of Sales - Non-Reimbursable Programs	109,667	- -	109,667
 Total Operating Expenses	 1,152,757	 4,369	 1,157,126
 Operating (Loss)/Gain	 (518,084)	 681	 (517,403)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	10,163	- -	10,163
State School Lunch Program- Reduced	4,642	- -	4,642
State School Breakfast Program	686	- -	686
Working Class Families State Supplement - Lunch	15,952	- -	15,952
Working Class Families State Supplement - Breakfast	1,889	- -	1,889
Summer EBT Admin Cost	321	- -	321
Federal Sources:			
National School Lunch Program	336,248	- -	336,248
Food Distribution Program	70,731	- -	70,731
National Breakfast Program	41,835	- -	41,835
Summer EBT Admin Cost	321	- -	321
Local Food for Schools Cooperative	4,851	- -	4,851
Interest Revenue	17,915	- -	17,915
Gain on Capital Asset	17,097	- -	17,097
 Total Nonoperating Revenues	 522,651	 - -	 522,651
 Change in Net Position	 4,567	 681	 5,248
Net Position - Beginning of Year	 772,724	 12,134	 784,858
 Total Net Position - End of Year	 \$ 777,291	 \$ 12,815	 \$ 790,106

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

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers/Vendors	\$ 569,951	\$ 5,050	\$ 575,001
Payments to Employees	(381,915)	(4,369)	(386,284)
Payments for Employee Benefits	(52,357)	-	(52,357)
Payments to Suppliers	(656,906)	-	(656,906)
Net Cash Provided/(Used) by Operating Activities	<u>(521,227)</u>	<u>681</u>	<u>(520,546)</u>
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(90,610)	-	(90,610)
Net Cash Used by Capital Financing Activities	<u>(90,610)</u>	<u>-</u>	<u>(90,610)</u>
Cash Flows From Noncapital Financing Activities:			
Cash Received From State & Federal Reimbursements	<u>479,462</u>	<u>-</u>	<u>479,462</u>
Net Cash Provided by Noncapital Financing Activities	<u>479,462</u>	<u>-</u>	<u>479,462</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(114,460)	681	(113,779)
Cash & Cash Equivalents, July 1	<u>425,013</u>	<u>12,134</u>	<u>437,147</u>
Cash & Cash Equivalents, June 30	<u><u>\$ 310,553</u></u>	<u><u>\$ 12,815</u></u>	<u><u>\$ 323,368</u></u>

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (518,084)	\$ 681	\$ (517,403)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	62,038	-	62,038
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(11,800)	-	(11,800)
(Increase)/Decrease in Inventory	(459)	-	(459)
Increase/(Decrease) in Unearned Revenue	(1,070)	-	(1,070)
Increase/(Decrease) in Claims Payable	(38,980)	-	(38,980)
Total Adjustments	<u>(3,143)</u>	<u>-</u>	<u>(3,143)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (521,227)</u></u>	<u><u>\$ 681</u></u>	<u><u>\$ (520,546)</u></u>

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The Southern Regional School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board consists of ten members elected to three-year terms and is responsible for the fiscal control of the District. The terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels seven through twelve at its two schools. The Southern Regional School District has an approximate enrollment at June 30, 2025 of 2,642 students.

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

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

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

Component Units

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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.

Government-Wide Financial Statements

The 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 District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying 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 District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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.

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. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The 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 District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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 District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

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

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. 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 assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the 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. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last 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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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 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 District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of 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.

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 Act. Public depositories include Savings and Loan

institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value 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.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2025 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been 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.

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 District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

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 value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 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 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

Unearned Revenue

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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 assumptions 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- **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. The School Board did not have any committed resources as of June 30, 2025.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

- Assigned – This classification includes amounts that are constrained by the 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 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 District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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 14.

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.

Recently Issued Accounting Pronouncements

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

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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

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.

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.

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 represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

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 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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 District's bank balance of \$30,114,440 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 26,568,252
Uninsured and Uncollateralized	<u>3,546,188</u>
	<u>\$ 30,114,440</u>

Investments

The District had no investments at June 30, 2025.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve 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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 3. Reserve Accounts (continued)

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	\$ 12,106,013
Increased by:	
Budget Charge Out	10,000
Transfer from Capital Projects to Close Out	1,100,993
Transfer from Debt Service to Close Out	26
Deposits approved by Board	<u>2,500,000</u>
	15,717,032
Decreased by:	
Transfers to Capital Projects	<u>(6,870,000)</u>
Ending Balance, June 30, 2025	<u>\$ 8,847,032</u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2025 is \$21,236,439. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's Long Range Facilities Plan.

Tuition Reserve

A tuition reserve account was established on June 5, 2012 for the accumulation of funds for use as tuition expenditures in subsequent fiscal years. The tuition reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There is a balance of \$1,600,000 at June 30, 2024. Of this balance, \$800,000 is the 2024-2025 reserve amount and \$800,000 is the 2025-2026 reserve amount.

Beginning Balance, July 1, 2024	\$ 1,600,000
Increased by:	
Deposits approved by Board	<u>800,000</u>
	2,400,000
Decreased by:	
Budget Withdrawals	<u>(800,000)</u>
Ending Balance, June 30, 2025	<u>\$ 1,600,000</u>

Maintenance Reserve

The School District established a maintenance reserve account on June 5, 2012 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 3. Reserve Accounts (continued)

increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

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

Beginning Balance, July 1, 2024	\$ 4,577,826
Increased by:	
Budget Charge Out	<u>10,000</u>
	4,587,826
Decreased by:	
Budget Withdrawals	(1,600,000)
Emergency Transfer Authorized	(52,210)
Reduction to Reserve	<u>(298,696)</u>
Ending Balance, June 30, 2025	<u>\$ 2,636,920</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the District's individual major, in the aggregate, are as follows:

	Governmental Funds				Total Governmental Activities	Proprietary Funds		Total Business-Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund			Food Service Fund	Business-Type Activities	
Federal Awards	\$ -	\$ 301,177	\$ -	\$ 301,177	\$ 301,177	\$ 13,374	\$ 13,374	
State Awards	1,019,045	-	2,301,423		3,320,468	1,194	1,194	
Other	417,045	-	-		417,045	17,013	17,013	
Total	\$ 1,436,090	\$ 301,177	\$ 2,301,423	\$ 4,038,690		\$ 31,581	\$ 31,581	

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 5. Capital Assets

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

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 2,525,711	\$ -	\$ -	\$ 2,525,711
Construction in Progress	13,120,490	2,509,931	(4,901,621)	10,728,800
Total Capital Assets not being depreciated	<u>15,646,201</u>	<u>2,509,931</u>	<u>(4,901,621)</u>	<u>13,254,511</u>
Capital Assets being depreciated:				
Building Improvements	51,556,423	4,971,259	-	56,527,682
Vehicles	7,756,629	1,295,081	(1,184,985)	7,866,725
Equipment	13,534,041	654,844	(3,360,286)	10,828,599
Total Capital Assets being depreciated	<u>72,847,093</u>	<u>6,921,184</u>	<u>(4,545,271)</u>	<u>75,223,006</u>
Less: Accumulated Depreciation:				
	(43,051,604)	(2,592,579)	2,352,381	(43,291,802)
Total Accumulated Depreciation				
	(43,051,604)	(2,592,579)	2,352,381	(43,291,802)
Total Capital Assets being depreciated, net				
	29,795,489	4,328,605	(2,192,890)	31,931,204
Total Governmental Activities Capital Assets, net	<u>\$ 45,441,690</u>	<u>\$ 6,838,536</u>	<u>\$ (7,094,511)</u>	<u>\$ 45,185,715</u>
 Business-Type Activities:				
Equipment	\$ 796,633	\$ 90,610	\$ 47,273	\$ 934,516
	<u>796,633</u>	<u>90,610</u>	<u>47,273</u>	<u>934,516</u>
Less: Accumulated Depreciation:				
Equipment	(415,193)	(62,038)	(30,176)	(507,407)
	<u>(415,193)</u>	<u>(62,038)</u>	<u>(30,176)</u>	<u>(507,407)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 381,440</u>	<u>\$ 28,572</u>	<u>\$ 17,097</u>	<u>\$ 427,109</u>

Depreciation expense of \$2,592,579 was not allocated among the various functions/programs of the District.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 106,116	\$ 51,852
Special Revenue Fund	-	67,136
Food Service Fund	<u>12,872</u>	<u>-</u>
	<u><u>\$ 118,988</u></u>	<u><u>\$ 118,988</u></u>

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,101,019	\$ 6,870,000
Capital Projects Fund	6,870,000	1,100,993
Debt Service Fund	<u>-</u>	<u>26</u>
	<u><u>\$ 7,971,019</u></u>	<u><u>\$ 7,971,019</u></u>

The purpose of the interfund transfers were to fund projects in the capital projects fund.

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:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2025</u>	<u>Balance Due Within One Year</u>
Compensated Absences	\$ 5,072,931	\$ 523,232	\$ -	\$ 5,596,163	\$ -
Net Pension Liability	13,466,660	-	1,351,702	12,114,958	-
	<u><u>\$ 18,539,591</u></u>	<u><u>\$ 523,232</u></u>	<u><u>\$ 1,351,702</u></u>	<u><u>\$ 17,711,121</u></u>	<u><u>\$ -</u></u>

For governmental activities, compensated absences and net pension liability are liquidated by the general fund.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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 eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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 have determined 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 is adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2025, the School District reported a liability of \$12,114,958 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 0.08916%, which was a decrease of 0.00382% 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 \$108,373 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:

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 242,685	\$ 32,253
Changes of Assumptions	15,051	137,840
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	561,737
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	311,133	677,224
School District Contributions Subsequent to Measurement Date	<u>1,200,959</u>	<u>-</u>
	<u>\$ 1,769,828</u>	<u>\$ 1,409,054</u>

\$1,200,959 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	\$ (911,561)
2026	705,339
2027	(405,797)
2028	(234,263)
2029	<u>6,097</u>
	<u><u>\$ (840,185)</u></u>

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<hr/> <u>100.00%</u>	

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 16,233,305	\$ 12,114,958	\$ 8,799,029

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 of resources 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 \$39,059 as of June 30, 2025. These are based on measurements as of June 30, 2024.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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/annrptrs.shtml.

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

The following represents the membership tiers for TPAF:

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 eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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.

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

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, 2024 was \$102,276,596. 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 0.20693%, which was a decrease of 0.01018% from its proportion measured as of June 30, 2023.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

For the fiscal year ended June 30, 2025, the School District recognized \$(373,089) in on-behalf pension expense/(benefit) and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense/(benefit) 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 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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
		<u>100.00%</u>

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. 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.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

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

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	<u>121,570,213</u>	<u>102,276,596</u>	<u>86,027,723</u>
	<u>\$ 121,570,213</u>	<u>\$ 102,276,596</u>	<u>\$ 86,027,723</u>

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

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

For the year ended June 30, 2025, employee contributions totaled \$95,323, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$51,328.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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 of total nonemployer OPEB liability (the Schedule) presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued):

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 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 \$153,884,127. 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 0.25798%, which was a decrease of 0.00020% from its proportion measured as of June 30, 2023.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued)

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$4,111,112 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreased to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% 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 OPEB Obligations Associated with the School District	\$ 180,231,270	\$ 153,884,127	\$ 132,695,556
State of New Jersey's Total Non- employer Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, 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:

	<u>June 30, 2024</u>		
	Healthcare Cost		
	1% Decrease	Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 128,186,598	\$ 153,884,127	\$ 187,356,854
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

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 Year Ending 6/30/2024	TBD	N/A
After Measurement Date	<u>\$ 16,383,910,385</u>	<u>\$ (22,802,314,774)</u>

** 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:

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 9. Other Post-Retirement Benefits (continued)

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	<u>(369,418,659)</u>
	<u><u>\$ (6,418,404,389)</u></u>

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	<u>153,556</u>
Currently Receiving Benefits	<u><u>372,741</u></u>

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	<u>(1,499,600,607)</u>
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	<u>52,361,668,239</u>
Total OPEB Liability (Ending)	<u><u>\$ 59,650,630,530</u></u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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

As previously mentioned, the 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 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, non-contributory insurance and reimbursed social security contributions were \$8,906,117, \$2,602,374, \$2,647 and \$1,900,333 respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The 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 District's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ 69,615	\$ 11,196	\$ -	\$ 333,946
2023-2024	60,909	10,025	12,437	253,135
2022-2023	32,962	3,504	768	194,638

Property and Liability Insurance – The 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 Annual Comprehensive Financial Report.

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

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

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 12. Contingencies

State and Federal Grantor Agencies - The 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 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 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 District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Economic Dependency – The 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 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
MetLife

Primerica
Vanguard

AXA Equitable

Note 14. Compensated Absences

Sick

Under the current policy of the school district, there are four different agreements. SRAA, SREA, SRSMA, SRTA. All (10) and (12) month employees receive 15 days of sick leave each school year under the SRAA, SREA, SRSMA & SRTA Agreement. Unused sick leave may be accumulated and carried forward to subsequent years. Employees shall be given a written accounting of accumulated sick leave days no later than September 15th of each school year.

Payouts for accrued sick time may not exceed \$15,000 at the time of retirement. The only exception where the \$15,000 is not capped would be an employee hired prior to

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 14. Compensated Absences (continued):

May 21, 2010. Payment for accumulated sick leave shall be made in accordance with the following schedule:

Formula: First Two Hundred (200) Days = 1/2 the daily rate of the starting salary, Next One Hundred (100) Days = 1/4 the daily rate of the starting salary, Remainder = 1/8 the daily rate of the starting salary identified.

Administrators

Administrators with eleven years of service or more in the district will use the formula above for payout, 100%. Service of six to ten years in the district: 65% of the above formula.

Teachers

Teachers with twenty-one years or over of service will receive 100% of the formula above. Eleven to twenty years: 80% of formula & six to ten years: 65% of formula.

Support Staff

Support staff receive 60% of the above formula or the first step of their guide, whichever is greater.

Professional Assistant

Professional assistants will receive 100% of the above formula after 11 years or more of service in the district, six to ten years: 80% of the above formula.

Vacation

Under the current policy of the school district, there are four different agreements. SRAA, SREA, SRSMA, SRTA. (12) month administrator will be entitled to a total of 20 vacation days, up to 20 days be carried into the next year with a maximum of 40 days available for any administrator in one year. Under the SREA, SRTA & SRSMA Agreement, (Applies to professional assistants, custodial, mechanics and tech personnel) (12) month employees will receive 10 days of vacation per year for the 1st through 5th year of service. 15 days of vacation once completed 5th year through 14th year. Once the employee begins the 15th year and thereafter, 20 days of vacation.

School District employees are entitled to a maximum of five personal days. Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

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 Statement of Net Position was \$5,596,163, which is an increase of \$523,232 from the prior year.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

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 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 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 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. 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 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 \$1,786,561.

Note 17. Fund Balances

General Fund – Of the \$18,477,157 General Fund balance at June 30, 2025, \$8,847,032 has been restricted for the Capital Reserve Account; \$2,636,920 has been restricted for the Maintenance Reserve Account; \$1,600,000 has been restricted for the Tuition Reserve Account; \$333,946 has been restricted for the Unemployment Reserve Account; \$1,786,561 has been restricted for excess surplus; \$621,529 is assigned to designated for subsequent year's expenditures; \$390,711 has been restricted for excess surplus- designated for subsequent year's expenditures; \$456,733 has been assigned to other purposes and \$1,803,725 has been unassigned.

Special Revenue Fund – Of the \$1,066,020 Special Revenue Fund balance at June 30, 2025, \$849,951 is restricted for future student activities and \$216,069 is restricted for future scholarships.

SOUTHERN REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025 (continued)

Note 17. Fund Balances (continued):

Capital Projects Fund – Of the \$10,634,407 Capital Projects Fund balance at June 30, 2025, \$6,996,405 is restricted for capital projects and \$3,638,002 is assigned to other purposes.

Debt Service Fund – There is no fund balance at June 30, 2025.

Note 18. Deficit in Net Position

Unrestricted Net Position – The District's governmental activities had a deficit in unrestricted net position in the amount of \$(12,031,317). The primary causes of the deficit are the 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 District is facing financial difficulties.

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and January 8, 2026, 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 District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

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

ACCOUNT NUMBERS	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Tax Levy	10-1210	\$ 51,688,603	\$ -	\$ 51,688,603	\$ 51,688,603
Tuition from Individuals	10-1310	-	32,000	32,000	175,399
Tuition from Other LEA's Within the State	10-1320	7,984,302	(32,000)	7,952,302	7,952,302
Transportation	10-1420	700,000	-	700,000	822,620
Interest on Capital Reserve Funds	10-1511	10,000	-	10,000	10,000
Interest on Maintenance Reserve Funds	10-1512	10,000	-	10,000	-
Miscellaneous Revenues	10-1990	600,000	-	600,000	1,301,419
Total Local Sources		60,992,905	-	60,992,905	61,960,343
State Sources:					967,438
Categorical Security Aid	10-3177	306,056	-	306,056	306,056
Categorical Transportation Aid	10-3121	1,367,568	-	1,367,568	1,367,568
Categorical Special Education Aid	10-3132	2,560,826	-	2,560,826	2,560,826
Extraordinary Aid	10-3131	150,000	-	150,000	910,594
Non-Public Transportation Aid	10-3190	-	-	-	760,594
Nonbudgeted:					14,010
On-Behalf TPAF Pension Contributions	10-3901	-	-	-	8,906,117
On-Behalf TPAF Post-Retirement Medical Contributions	10-3903	-	-	-	2,602,374
On-Behalf TPAF Long Term Disability Insurance Contributions	10-3904	-	-	-	2,647
Reimbursed TPAF Social Security Contribution	10-3902	-	-	-	1,900,333
Total State Sources		4,384,450	-	4,384,450	18,570,525
Federal Sources:					14,186,075
Medicaid Reimbursement	10-4200	20,959	-	20,959	21,180
Total Federal Sources		20,959	-	20,959	21,180
Total Revenues		65,398,314	-	65,398,314	80,552,048
Expenditures:					15,153,734
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Grades 6 - 8	11-130-100-101	5,782,542	(20,000)	5,762,542	5,712,514
Health Benefits	11-130-100-270	1,436,110	-	1,436,110	1,436,110
Grades 9 - 12	11-140-100-101	11,535,867	(45,692)	11,490,175	11,260,472
Health Benefits	11-140-100-270	2,739,628	(371,000)	2,368,628	2,368,576
Home Instruction:					52
Salaries of Teachers	11-150-100-101	150,000	109,998	259,998	259,998
Purchased Professional/Education Services	11-150-100-320	40,000	(13,798)	26,202	23,703
Regular Programs - Undistributed Instruction:					2,499
Other Salaries for Instruction	11-190-100-106	75,876	-	75,876	75,876
Purchased Professional/Education Services	11-190-100-320	-	25,000	25,000	10,822
Purchased Technical Services	11-190-100-340	127,935	-	127,935	108,365
Other Purchased Services	11-190-100-500	141,250	(48,063)	93,187	72,790
General Supplies	11-190-100-610	1,193,130	112,789	1,305,919	1,034,849
Textbooks	11-190-100-640	146,675	5,000	151,575	104,466
Other Objects	11-190-100-800	52,950	150	53,100	40,569
Total Regular Programs		23,421,863	(245,616)	23,176,247	22,509,110
Special Education:					667,137
Learning and/or Language Disabilities:					
Salaries of Teachers	11-205-100-101	394,453	(6,000)	388,453	388,310
Other Salaries for Instruction	11-205-100-106	41,432	-	41,432	41,432
Health Benefits	11-205-100-270	144,842	98,519	243,361	83,792
General Supplies	11-205-100-610	9,000	(795)	8,205	7,705
Textbooks	11-205-100-640	1,900	-	1,900	1,900
Other Objects	11-205-100-800	6,850	795	7,645	6,394
Total Learning and/or Language Disabilities		598,477	92,519	690,996	529,533
					161,463

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

	ACCOUNT NUMBERS	JUNE 30, 2025			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Behavior Disabilities:					
Salaries of Teachers	11-209-100-101	346,531	-	346,531	338,861
Other Salaries for Instruction	11-209-100-106	184,672	-	184,672	183,380
Health Benefits	11-209-100-270	299,321	-	299,321	299,321
Other Purchased Services	11-209-100-500	200	-	200	-
General Supplies	11-209-100-610	10,000	-	10,000	2,894
Textbooks	11-209-100-640	500	-	500	-
Other Objects	11-209-100-800	1,000	-	1,000	-
Total Behavioral Disabilities		842,224	-	842,224	824,456
Resource Room:					
Salaries of Teachers	11-213-100-101	3,765,849	43,685	3,809,534	3,808,166
Other Salaries for Instruction	11-213-100-106	201,734	26,765	228,499	228,499
Health Benefits	11-213-100-270	823,044	-	823,044	823,044
General Supplies	11-213-100-610	6,000	-	6,000	3,207
Textbooks	11-213-100-640	7,500	-	7,500	-
Total Resource Room		4,804,127	70,450	4,874,577	4,862,916
Special Education Instruction:					
Salaries of Teachers	11-214-100-101	262,322	2,526	264,848	264,296
Other Salaries for Instruction	11-214-100-106	535,136	(112,329)	422,807	349,684
Health Benefits	11-214-100-270	309,833	-	309,833	309,833
Purchased Professional/Education Services	11-214-100-320	70,000	20,323	90,323	84,572
Other Purchased Services	11-214-100-500	1,500	-	1,500	425
General Supplies	11-214-100-610	5,000	-	5,000	2,843
Total Special Education Instruction		1,183,791	(89,480)	1,094,311	1,011,653
Total Special Education		7,428,619	73,489	7,502,108	7,228,558
Basic Skills/Remedial Instruction:					
Other Salaries for Instruction	11-230-100-106	15,500	1,262	16,762	16,762
General Supplies	11-230-100-610	1,000	-	1,000	104
Textbooks	11-230-100-640	700	-	700	-
Total Basic Skills/Remedial Instruction		17,200	1,262	18,462	16,866
Bilingual Education - Instruction:					
General Supplies	11-240-100-610	1,000	-	1,000	49
Textbooks	11-240-100-640	1,000	-	1,000	120
Total Bilingual Education - Instruction:		2,000	-	2,000	169
School Sponsored Co-Curricular Activities:					
Salaries	11-401-100-100	451,151	-	451,151	442,613
Other Objects	11-401-100-800	65,180	815	65,995	48,736
Total School Sponsored Co-Curricular Activities		516,331	815	517,146	491,349
School Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	1,248,723	75,865	1,324,588	1,301,673
Health Benefits	11-402-100-270	35,773	-	35,773	-
Other Purchased Services	11-402-100-500	6,500	1,255	7,755	5,300
Supplies and Materials	11-402-100-600	169,680	23,499	193,179	186,839
Other Objects	11-402-100-800	269,500	78,837	348,337	343,837
Total School Sponsored Athletics Instruction		1,730,176	179,456	1,909,632	1,837,649
Total Other Instructional Programs		2,265,707	181,533	2,447,240	2,346,033
Undistributed Expenditures:					
Instruction :					
Tuition to Other LEAs Within the State - Special	11-000-100-562	40,000	20,907	60,907	48,512
Tuition to County Vocational District/Regular Day Schools	11-000-100-563	144,768	-	144,768	139,192
Tuition to Private School for the Disabled - State	11-000-100-566	1,023,745	(106,776)	916,969	109,168
Tuition - Other	11-000-100-569	40,000	(9,680)	30,320	-
Total Undistributed Expenditures - Instruction		1,248,513	(95,549)	1,152,964	296,872
					856,092

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

	ACCOUNT NUMBERS	JUNE 30, 2025			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Attendance & Social Work Services:					
Salaries	11-000-211-100	285,016	-	285,016	282,602
Health Benefits	11-000-211-270	100,652	-	100,652	100,652
Supplies and Materials	11-000-211-600	1,000	-	1,000	908
					92
Total Attendance & Social Work Services		386,668	-	386,668	384,162
Health Services:					
Salaries	11-000-213-100	306,100	11,759	317,859	307,905
Health Benefits	11-000-213-270	61,138	7,088	68,406	68,406
Purchased Professional & Technical Services	11-000-213-300	37,500	-	37,500	30,500
Supplies and Materials	11-000-213-600	13,000	-	13,000	12,715
					285
Total Health Services		417,918	18,847	436,765	419,526
Other Support Services - Students - Related Services:					
Salaries of Teachers	11-000-216-100	518,996	(4,364)	514,632	514,632
Health Benefits	11-000-216-270	88,529	-	88,529	72,611
Purchased Professional/Education Services	11-000-216-320	-	9,680	9,680	9,680
Supplies and Materials	11-000-216-600	1,500	-	1,500	1,239
					261
Total Other Support Services - Students - Related Services		609,025	5,316	614,341	598,162
Other Support Services - Students - Extra Services:					
Salaries	11-000-217-100	1,064,122	(26,375)	1,037,747	967,419
Health Benefits	11-000-217-270	841,798	-	841,798	774,202
Purchased Professional/Education Services	11-000-217-320	85,000	8,979	93,979	93,979
					-
Total Other Support Services - Students - Extra Services		1,990,920	(17,396)	1,973,524	1,835,600
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	11-000-218-104	1,247,925	-	1,247,925	1,208,488
Salaries of Secretarial & Clerical Assistants	11-000-218-105	176,500	-	176,500	176,500
Other Salaries	11-000-218-110	44,000	-	44,000	36,302
Health Benefits	11-000-218-270	422,016	28,305	450,321	450,321
Other Purchased Services	11-000-218-500	700	-	700	285
Supplies and Materials	11-000-218-600	91,500	(7,023)	84,477	80,028
Other Objects	11-000-218-800	7,200	-	7,200	4,449
					-
Total Other Support Services - Students - Regular		1,989,841	21,282	2,011,123	1,959,124
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	11-000-219-104	1,285,881	-	1,285,881	1,197,276
Salaries of Secretarial & Clerical Assistants	11-000-219-105	175,000	326	175,326	175,326
Other Salaries	11-000-219-110	35,000	(326)	34,674	26,295
Health Benefits	11-000-219-270	293,099	-	293,099	290,059
Purchased Professional/Education Services	11-000-219-320	38,776	844	39,620	19,991
Other Purchased Services	11-000-219-500	1,000	(645)	355	355
Supplies and Materials	11-000-219-600	4,581	1,759	6,340	4,133
Other Objects	11-000-219-800	3,943	2,880	6,823	6,823
					-
Total Other Support Services - Students - Special Services		1,837,280	4,838	1,842,118	1,720,258
Improvement of Instruction Services/Other Support Services - Instruction Staff:					
Salaries of Supervisors of Instruction	11-000-221-102	407,270	-	407,270	406,909
Salaries of Secretarial & Clerical Assistants	11-000-221-105	175,631	-	175,631	175,631
Health Benefits	11-000-221-270	213,024	-	213,024	195,305
					17,719
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		795,925	-	795,925	777,845
Educational Media Services/School Library:					
Salaries	11-000-222-100	362,015	151	362,166	362,166
Health Benefits	11-000-222-270	168,910	-	168,910	152,136
Other Purchased Services	11-000-222-500	150	-	150	-
Supplies and Materials	11-000-222-600	43,575	1,335	44,910	26,328
					18,582
Total Educational Media Services/School Library		574,650	1,486	576,136	540,630
Support Services Instructional Staff Training Service:					
Salaries of Other Professional	11-000-223-110	8,000	376	8,376	6,534
Total Support Services Instructional Staff Training Services		8,000	376	8,376	6,534
Support Services General Administration:					
Salaries	11-000-230-100	613,777	1,962	615,739	605,428
Health Benefits	11-000-230-270	42,395	20,651	63,046	63,046
Legal Services	11-000-230-331	45,000	3,385	48,385	45,316
Audit Services	11-000-230-332	43,000	1,615	44,615	43,000
Other Purchased Professional Services	11-000-230-339	30,000	(5,000)	25,000	8,555
Communications/Telephone	11-000-230-530	130,000	-	130,000	109,269
Other Purchased Services	11-000-230-590	154,500	(40,000)	114,500	108,580
Supplies & Materials	11-000-230-610	10,500	321	10,821	1,282
Miscellaneous Expenditures	11-000-230-890	21,250	-	21,250	9,539
BOE Membership Dues & Fees	11-000-230-895	25,000	-	25,000	7,136
					195
Total Support Services General Administration		1,115,422	(17,066)	1,098,356	1,023,395
					74,961

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

ACCOUNT NUMBERS	JUNE 30, 2025			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:				
Salaries of Principals & Assistant Principals	11-000-240-103	1,218,733	-	1,218,733
Salaries of Secretarial & Clerical Assistants	11-000-240-105	531,390	-	531,390
Health Benefits	11-000-240-270	440,338	(20,371)	419,967
Other Purchased Services	11-000-240-500	200	-	200
Supplies and Materials	11-000-240-600	44,100	-	44,100
Other Objects	11-000-240-800	96,500	3,361	99,861
Total Support Services School Administration		2,331,261	(17,010)	2,314,251
Central Services:				
Salaries	11-000-251-100	706,852	(4,864)	701,988
Health Benefits	11-000-251-270	223,610	(10,000)	213,610
Purchased Professional Services	11-000-251-330	30,000	-	30,000
Purchased Technical Services	11-000-251-340	45,000	-	45,000
Other Purchased Services	11-000-251-592	25,000	385	25,385
Supplies & Materials	11-000-251-600	9,000	116	9,116
Miscellaneous Expenditures	11-000-251-890	6,000	-	6,000
Total Central Services		1,045,462	(14,363)	1,031,099
Administrative Information Technology:				
Salaries	11-000-252-100	391,070	18,485	409,555
Health Benefits	11-000-252-270	88,725	(3,200)	85,525
Purchased Technical Services	11-000-252-340	83,440	500	83,940
Other Purchased Services	11-000-252-500	1,000	-	1,000
Supplies & Materials	11-000-252-600	30,000	1,170	31,170
Total Administrative Information Technology		594,235	16,955	611,190
Allowance Maintenance for School Facilities:				
Salaries	11-000-261-100	912,921	(20,000)	892,921
Health Benefits	11-000-261-270	357,195	8,469	365,664
Cleaning, Repair & Maintenance Services	11-000-261-420	892,050	165,812	927,321
General Supplies	11-000-261-610	360,000	4,902	364,902
Total Allowance Maintenance for School Facilities		2,522,166	159,183	2,681,349
Other Operation & Maintenance of Plant Services:				
Salaries	11-000-262-100	1,135,726	20,405	1,156,131
Salaries of Non-Instructional Aides	11-000-262-107	65,000	(405)	64,595
Health Benefits	11-000-262-270	581,131	-	581,131
Cleaning, Repair & Maintenance Services	11-000-262-420	95,000	7,479	102,479
Other Purchased Property Services	11-000-262-490	180,000	-	180,000
Insurance	11-000-262-520	444,000	10,000	454,000
General Supplies	11-000-262-610	270,000	45,328	315,328
Energy (Natural Gas)	11-000-262-621	350,000	40,000	390,000
Energy (Electricity)	11-000-262-622	1,000,000	(40,000)	960,000
Other Objects	11-000-262-800	19,000	-	19,000
Total Other Operation & Maintenance of Plant Services		4,139,857	82,807	4,222,664
Care & Upkeep of Grounds:				
Salaries	11-000-263-100	312,168	-	312,168
Health Benefits	11-000-263-270	194,031	-	194,031
Cleaning, Repair & Maintenance Services	11-000-263-420	195,000	8,350	203,350
General Supplies	11-000-263-610	200,000	1,595	201,595
Total Care & Upkeep of Grounds		901,199	9,945	911,144
Security:				
Salaries	11-000-266-100	348,680	-	348,680
Health Benefits	11-000-266-270	3,532	339	3,871
Purchased Professional & Technical Services	11-000-266-300	220,000	-	220,000
Total Security		572,212	339	572,551
Total Operation & Maintenance of Plant Services		8,135,434	252,274	8,387,708
				7,682,060
				705,648

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

ACCOUNT NUMBERS	JUNE 30, 2025			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation Services:				
Salaries of Non-Instructional Aides	11-000-270-107	176,427	-	176,427
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	2,389,032	6,000	2,395,032
Salaries for Pupil Transportation (Other Than Between Home & School) - Regular	11-000-270-162	425,000	-	425,000
Health Benefits	11-000-270-270	1,999,446	(3,653)	1,995,793
Cleaning, Repair & Maintenance Services	11-000-270-420	300,000	2,967	302,967
Aid in Lieu of Payments - Nonpublic Between Home & School - Vendors	11-000-270-503	50,000	-	50,000
Miscellaneous Purchased Services - Transportation Supplies and Materials	11-000-270-593	135,000	-	135,000
Other Objects	11-000-270-610	750,000	(12,311)	737,689
	11-000-270-800	75,000	8,080	83,080
				51,120
Total Student Transportation Services		7,246,492	1,083	7,247,575
				6,447,933
				799,642
Unallocated Benefits - Employee Benefits:				
Social Security Contributions	11-000-291-220	985,000	59,969	1,044,969
Other Retirement Benefits - PERS	11-000-291-241	1,347,000	(133,150)	1,213,850
Other Retirement Benefits - Regular	11-000-291-249	70,000	557	70,557
Worker's Compensation	11-000-291-260	650,000	(13,993)	636,007
Health Benefits	11-000-291-270	390,500	244,852	635,352
Tuition Reimbursement	11-000-291-280	130,000	-	130,000
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	316,610	(39,526)	277,084
				138,583
Total Unallocated Benefits - Employee Benefits		3,889,110	118,709	4,007,819
				3,717,324
				290,495
Nonbudgeted:				
On-Behalf TPAF Pension Contribution		-	-	8,906,117
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	2,602,374
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	2,647
Reimbursed TPAF Social Security Contribution		-	-	1,900,333
				(1,900,333)
Total Nonbudgeted		-	-	13,411,471
Total Undistributed Expenditures		34,216,156	279,782	34,495,938
				44,672,778
				(10,176,840)
Total Expenditures - Current Expense		67,332,345	289,188	67,621,533
				76,756,479
				(9,134,946)
Capital Outlay:				
Increase in Capital Reserve	10-604	10,000	-	10,000
Increase in Maintenance Reserve	10-606	10,000	-	10,000
Equipment:				
Regular Programs - Instruction:				
School Sponsored & Other Instructional Programs	12-402-100-730	40,000	(35,201)	4,799
Undistributed Expenditures:				
Instruction	12-000-100-730	63,329	315,239	378,568
Support Services- Child Study Team	12-000-219-730	2,200	-	2,200
Central Services	12-000-251-730	-	31,459	31,459
Required Maintenance for School Facilities	12-000-261-730	100,000	(1,307)	98,693
Custodial Services	12-000-262-730	31,000	17,549	48,549
Care and Upkeep of Grounds	12-000-263-730	114,500	60,430	174,930
Student Transportation:				
School Buses - Regular	12-000-270-733	675,000	683,323	1,358,323
Total Equipment		1,026,029	1,071,492	2,097,521
				1,941,773
				155,748

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

	ACCOUNT NUMBERS	JUNE 30, 2025			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Facilities Acquisition & Construction Services: Assessment for Debt Service on SDA Funding	12-000-400-896	38,250	-	38,250	38,250 -
Total Facilities Acquisition & Construction Services		38,250	-	38,250	38,250 -
Total Capital Outlay		1,084,279	1,071,492	2,155,771	1,980,023 175,748
Total Expenditures		68,416,624	1,360,680	69,777,304	78,736,502 (8,959,198)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(3,018,310)	(1,360,680)	(4,378,990)	1,815,546 6,194,536
Other Financing Sources/(Uses):					
Transfer from Capital Projects		-	-	-	1,100,993 1,100,993
Transfer from Debt Service		-	-	-	26 26
Transfer to Capital Projects	12-000-400-931	-	(6,870,000)	(6,870,000)	(6,870,000) -
Total Other Financing Sources/(Uses)		-	(6,870,000)	(6,870,000)	(5,768,981) 1,101,019
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(3,018,310)	(8,230,680)	(11,248,990)	(3,953,435) 7,295,555
Fund Balances, July 1		22,845,372	-	22,845,372	22,845,372 -
Fund Balances, June 30		\$ 19,827,062	\$ (8,230,680)	\$ 11,596,382	\$ 18,891,937 \$ 7,295,555

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 1,308,470
Transfer to Capital Projects	6,870,000
Transfer from Maintenance Reserve	52,210

Total \$ 8,230,680

RECAPITULATION OF FUND BALANCE:

Restricted for:		
Capital Reserve		\$ 8,847,032
Maintenance Reserve		2,636,920
Tuition Reserve		1,600,000
Excess Surplus		1,786,561
Excess Surplus Designated for Subsequent Year's Expenditures		390,711
Unemployment Compensation		333,946
Assigned to:		
Year-End Encumbrances		456,733
Designated for Subsequent Year's Expenditures		621,529
Unassigned Fund Balance		<u>2,218,505</u>
Subtotal		18,891,937
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis		<u>(414,780)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 18,477,157</u>

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

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Federal Sources	\$ 962,592	\$ 441,281	\$ 1,403,873	\$ 1,117,162	\$ (286,711)
State Sources	24,579	5,398	29,977	26,624	(3,353)
Local Sources	1,115,000	15,058	1,130,058	2,017,330	887,272
Total Revenues	2,102,171	461,737	2,563,908	3,161,116	597,208
Expenditures:					
Instruction:					
Salaries of Teachers	113,256	260,373	373,629	289,648	83,981
Purchased Services	24,824	12,649	37,473	30,599	6,874
Other Purchased Services	528,003	140,006	668,009	622,843	45,166
General Supplies	205,284	37,737	243,021	97,202	145,819
Textbooks	1,677	-	1,677	1,405	272
Total Instruction	873,044	450,765	1,323,809	1,041,697	282,112
Support Services:					
Salaries	14,000	113	14,113	5,947	8,166
Personal Services - Employee Benefits	41,213	10,011	51,224	39,794	11,430
Purchased Professional Services	12,447	848	13,295	2,592	10,703
Other Purchased Services	10,040	-	10,040	-	10,040
Supplies and Materials	6,400	-	6,400	30,957	(24,557)
Scholarships	115,000	-	115,000	314,644	(199,644)
Student Activities	1,000,000	-	1,000,000	1,605,645	(605,645)
Total Support Services	1,199,100	10,972	1,210,072	2,000,229	(790,157)
Facilities Acquisition & Construction Services:					
Buildings	30,027	-	30,027	30,027	-
Total Facilities Acquisition & Construction Services	30,027	-	30,027	30,027	-
Total Expenditures	2,102,171	461,737	2,563,908	3,071,953	(508,045)
Total Outflows	2,102,171	461,737	2,563,908	3,071,953	(508,045)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	89,163	89,163
Fund Balances, July 1	976,857	-	976,857	976,857	-
Fund Balances, June 30	\$ 976,857	\$ -	\$ 976,857	\$ 1,066,020	\$ 89,163

Recapitulation of Fund Balance:

Restricted for:

Scholarships	\$ 216,069
Student Activities	849,951
Total Fund Balance	\$ 1,066,020

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

**SOUTHERN REGIONAL 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)	\$ 80,552,048	\$ 3,161,116
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Federal Share	- 94,853	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	378,656	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(414,780)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 80,515,924</u>	<u>\$ 3,255,969</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 78,736,502	\$ 3,071,953
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.		
Facilities Acquisition & Construction Services	- 94,853	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 78,736,502</u>	<u>\$ 3,166,806</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2024		2023		2022		2021		Measurement Date Ending June 30,		2018		2017		2016		2015	
School District's proportion of the net pension liability	0.08916%	0.09297%	0.08989%	0.09176%	0.09317%	0.09176%	0.09317%	0.09326%	0.09418%	0.09434%	0.09419%	0.09419%	0.09419%	0.09419%	0.09419%	0.09419%	0.09419%	0.09991%
School District's proportionate share of the net pension liability	\$ 12,114,958	\$ 13,466,660	\$ 13,566,356	\$ 10,370,082	\$ 15,194,011	\$ 16,803,832	\$ 18,543,697	\$ 21,961,589	\$ 29,377,340	\$ 22,427,635								
District's covered-employee payroll	\$ 7,395,833	\$ 7,463,400	\$ 7,231,231	\$ 6,973,365	\$ 6,732,167	\$ 6,603,290	\$ 6,595,769	\$ 6,508,328	\$ 6,587,503	\$ 7,630,036								
School District's proportionate share of the net pension liability as a percentage of its covered payroll	163.81%	180.44%	187.61%	155.88%	225.69%	254.48%	281.15%	337.44%	445.98%	293.94%								
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).

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

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,213,204	\$ 1,133,616	\$ 1,074,590	\$ 1,019,261	\$ 907,134	\$ 936,793	\$ 873,989	\$ 881,193	\$ 858,952	\$ 826,694
Contributions in relation to the contractually required contribution	(1,213,204)	(1,133,616)	(1,074,590)	(1,019,261)	(907,134)	(936,793)	(873,989)	(881,193)	(858,952)	(826,694)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,395,833	\$ 7,463,400	\$ 7,231,231	\$ 6,973,365	\$ 6,732,167	\$ 6,603,290	\$ 6,595,769	\$ 6,508,328	\$ 6,587,503	\$ 7,630,036
Contributions as a percentage of covered-employee payroll	16.40%	15.19%	14.86%	14.62%	13.47%	14.19%	13.25%	13.54%	13.04%	10.83%

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

SOUTHERN REGIONAL 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	\$ 102,276,596	\$ 110,797,231	\$ 108,556,222	\$ 99,982,421	\$ 137,370,006	\$ 130,528,131	\$ 137,625,054	\$ 143,836,424	\$ 170,595,322	\$ 136,265,190
\$ 102,276,596	\$ 110,797,231	\$ 108,556,222	\$ 99,982,421	\$ 137,370,006	\$ 130,528,131	\$ 137,625,054	\$ 143,836,424	\$ 170,595,322	\$ 136,265,190	
District's covered-employee payroll	\$ 26,566,227	\$ 25,955,647	\$ 25,173,933	\$ 24,443,507	\$ 24,123,537	\$ 23,585,878	\$ 22,841,848	\$ 22,308,163	\$ 22,248,437	\$ 23,452,825
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).

**SOUTHERN REGIONAL 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 Postemployment Benefits (GASB 75)

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability Associated with the District								
Service Cost	\$ 4,527,553	\$ 4,537,164	\$ 5,826,838	\$ 6,544,337	\$ 3,671,399	\$ 3,698,326	\$ 4,231,435	\$ 5,099,973
Interest Cost	5,065,501	4,761,045	3,440,435	3,989,893	3,808,091	4,708,928	5,051,741	4,366,278
Differences between Expected and Actual	1,329,798	(618,860)	4,873,443	(24,316,118)	28,177,504	(19,815,573)	(11,334,630)	-
Changes of Assumptions	11,512,579	272,477	(34,826,000)	151,741	31,140,324	1,588,785	(13,719,117)	(17,606,068)
Contributions: Member	132,465	122,009	109,326	102,002	89,956	96,962	110,485	118,047
Gross Benefit Payments	(3,868,605)	(3,711,312)	(3,407,852)	(3,142,918)	(2,967,867)	(3,271,006)	(3,196,761)	(3,205,828)
Net Change in Total OPEB Liability Associated with District	18,699,291	5,362,523	(23,983,810)	(16,671,063)	63,919,407	(12,993,578)	(18,856,847)	(11,227,598)
Total OPEB Liability Associated with District (Beginning)	<u>135,184,836</u>	<u>129,822,313</u>	<u>153,806,123</u>	<u>170,477,186</u>	<u>106,557,779</u>	<u>119,551,357</u>	<u>138,408,204</u>	<u>149,635,802</u>
Total OPEB Liability Associated with District (Ending)	<u>\$ 153,884,127</u>	<u>\$ 135,184,836</u>	<u>\$ 129,822,313</u>	<u>\$ 153,806,123</u>	<u>\$ 170,477,186</u>	<u>\$ 106,557,779</u>	<u>\$ 119,551,357</u>	<u>\$ 138,408,204</u>
District's Covered Employee Payroll	33,962,060	33,419,047	32,405,164	31,421,872	30,855,704	30,189,168	29,437,617	28,816,491
Net OPEB Liability Associated with District as a Percentage of Payroll	453.11%	404.51%	400.62%	489.49%	552.50%	352.97%	406.12%	480.31%

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

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

**SOUTHERN REGIONAL 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

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

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

	NONPUBLIC NURSING SERVICES	NONPUBLIC TEXTBOOKS	NONPUBLIC TECHNOLOGY	CHAPTER 193 NONPUBLIC CORRECTIVE SPEECH	CHAPTER 193 NONPUBLIC SUPPLEMENTAL INSTRUCTION	CHAPTER 192 AUXILIARY SERVICES NONPUBLIC COMPENSATORY EDUCATION	CHAPTER 193 NONPUBLIC EXAM & CLASSIFICATION
Revenues:							
State Sources	\$ 4,417	\$ 1,405	\$ 1,372	\$ 986	\$ 4,179	\$ 10,404	\$ 3,861
Total Revenues	\$ 4,417	\$ 1,405	\$ 1,372	\$ 986	\$ 4,179	\$ 10,404	\$ 3,861
Expenditures:							
Instruction:							
Purchased Professional Services	\$ 4,417	\$ -	\$ -	\$ 986	\$ 4,179	\$ 10,404	\$ 3,861
Supplies & Materials	-	-	1,372	-	-	-	-
Textbooks	-	1,405	-	-	-	-	-
Total Instruction	4,417	1,405	1,372	986	4,179	10,404	3,861
Total Expenditures	4,417	1,405	1,372	986	4,179	10,404	3,861
Fund Balance, July 1	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**EXHIBIT E-1
(Page 2 of 3)**

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

	IDEA PART B BASIC REGULAR	ESSER III
Revenues:		
Federal Sources	\$ 635,089	\$ 93,011
State Sources	-	-
Total Revenues	\$ 635,089	\$ 93,011
Expenditures:		
Instruction:		
Salaries of Teachers	\$ 4,500	\$ -
Purchased Professional/ Technical Services	6,752	-
Other Purchased Services	622,843	-
General Supplies	-	62,984
Total Instruction	634,095	62,984
Support Services:		
Employee Benefits	344	-
Other Objects	650	-
Total Support Services	994	-
Facilities Acquisition & Construction Services:		
Buildings	-	30,027
Total Facilities Acquisition & Construction Services	-	30,027
Total Expenditures	635,089	93,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Fund Balance, July 1	-	-
Fund Balance, June 30	\$ -	\$ -

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

	TITLE II - PART A TEACHER & PRINCIPAL		LOCAL GRANTS	STUDENT ACTIVITIES		SCHOLARSHIPS	TOTAL
	TITLE I PART A	TRAINING & RECRUITING		TITLE IV	STUDENT ACTIVITIES		
Revenues:							
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,624
Federal Sources	328,210	37,955	22,897				1,117,162
Local Sources	-	-	-	7,878	1,680,839	328,613	2,017,330
Total Revenues	\$ 328,210	\$ 37,955	\$ 22,897	\$ 7,878	\$ 1,680,839	\$ 328,613	\$ 3,161,116
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 247,385	\$ 24,874	\$ 12,889	\$ -	\$ -	\$ -	\$ 289,648
Purchased Professional / Technical Services	-	-	-	-	-	-	30,599
Other Purchased Services	-	-	-	-	-	-	622,843
General Supplies	32,846	-	-	-	-	-	97,202
Textbooks	-	-	-	-	-	-	1,405
Total Instruction	280,231	24,874	12,889	-	-	-	1,041,697
Support Services:							
Salaries	2,947	-	3,000	-	-	-	5,947
Employee Benefits	19,361	13,081	7,008	-	-	-	39,794
Purchased Professional Services	2,592	-	-	-	-	-	2,592
Supplies & Materials	23,079	-	-	7,878	-	-	30,957
Student Activities	-	-	-	-	1,605,645	-	1,605,645
Scholarships	-	-	-	-	-	314,644	314,644
Total Support Services	47,979	13,081	10,008	7,878	1,605,645	314,644	2,000,229
Facilities Acquisition & Construction Services:							
Building	-	-	-	-	-	-	30,027
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	30,027
Total Expenditures	328,210	37,955	22,897	7,878	1,605,645	314,644	3,071,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	75,194	13,969	89,163
Fund Balance, July 1	-	-	-	-	774,757	202,100	976,857
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 849,951	\$ 216,069	\$ 1,066,020

F. Capital Projects Fund

EXHIBIT F-1

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

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEEXPENDED BALANCE JUNE 30, 2025
			PRIOR YEAR	CURRENT YEAR	
Middle School Window Project	07/25/14	\$ 689,400	\$ 532,934	\$ -	\$ 156,466
High School Renovations	02/24/14	7,480,875	5,220,623	\$ -	2,260,252
Boiler Project	07/01/18	787,068	787,068	\$ -	-
Track Resurfacing	01/06/20	1,800,000	-	63,430	1,736,570
Paving and Drainage- High School	03/11/20	1,290,313	1,087,492	-	202,821
High School Fields & HVAC	03/19/21	3,033,865	3,033,865	\$ -	-
Middle School Improvements	12/08/21	647,707	647,707	\$ -	-
High School Improvements	12/08/21	5,616	5,616	\$ -	-
Administrative Building Improvements	12/08/21	259,008	259,008	\$ -	-
High School Ground Improvements	02/09/22	2,292,000	587,713	192,984	1,511,303
Middle School HVAC	03/09/22	168,357	168,357	\$ -	-
High School Renovations	02/28/24	3,678,031	2,229,257	463,967	984,807
Parking Lot	02/28/24	62,190	14,520	29,205	18,465
Bus Garage	02/28/24	3,181,535	15,780	40,270	3,125,485
Admin Hvac	04/10/25	3,325,000	-	1,720,075	1,604,925
Total		\$ 28,700,965	\$ 14,589,940	\$ 2,509,931	\$ 11,601,094

Reconciliation of Fund Balance

Unexpended Project Balances	\$ 11,601,094
Total Fund Balance	<u>11,601,094</u>
Less: Unexpended State Aid- ROD Grants	(966,687)
Total Fund Balance	<u>\$ 10,634,407</u>

EXHIBIT F-2

**SOUTHERN REGIONAL 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:

Bond Proceeds and Transfers	\$ 6,870,000
Total Revenues	<u>6,870,000</u>

Expenditures & Other Financing Uses:

Other Financing Sources/(Uses):

Other Purchased Professional and Technical Services	\$ 430,473
Construction Services	2,079,458
Transfers to Capital Reserve	<u>1,100,993</u>

Total Expenditures & Other Financing Sources/(Uses)	<u>3,610,924</u>
---	------------------

Excess/(Deficiency) of Revenues Over/(Under) Expenditures	3,259,076
Fund Balance - Beginning	<u>8,342,018</u>

Fund Balance - Ending	<u>\$ 11,601,094</u>
------------------------------	----------------------

EXHIBIT F-2a

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
MIDDLE SCHOOL WINDOW PROJECT
YEAR ENDED JUNE 30, 2025**

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 275,760	\$ -	\$ 275,760	\$ 275,760
Bond Proceeds	413,640	-	413,640	413,640
Total Revenues and Other Financing Sources	<u>689,400</u>	<u>-</u>	<u>689,400</u>	<u>689,400</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	35,840	-	35,840	35,840
Construction Services	497,094	-	497,094	653,560
Total Expenditures and Other Financing Uses	<u>532,934</u>	<u>-</u>	<u>532,934</u>	<u>689,400</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 156,466</u>	<u>\$ -</u>	<u>\$ 156,466</u>	<u>\$ -</u>

Project Number	4950-060-14G2ZV
Grant Date	07/25/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	689,220
Revised Authorized Cost	689,400
Additional Authorized Cost	180
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	77.30%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 2,992,350	\$ -	\$ 2,992,350	\$ 2,992,350
Bond Proceeds	1,188,525	-	1,188,525	1,188,525
Transfer from Capital Reserve	3,300,000	-	3,300,000	3,300,000
 Total Revenues and Other Financing Sources	 7,480,875	 -	 7,480,875	 7,480,875
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	388,979	-	388,979	388,979
Construction Services	4,831,644	-	4,831,644	7,091,896
 Total Expenditures and Other Financing Uses	 5,220,623	 -	 5,220,623	 7,480,875
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 \$ 2,260,252	 \$ -	 \$ 2,260,252	 \$ -

Project Number	4950-050-14-1001-G04
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	7,480,875
Revised Authorized Cost	7,480,875
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	69.79%
Original Target Completion Date	9/2017
Revised Target Completion Date	9/2017

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,063,650	\$ (276,582)	\$ 787,068	\$ 787,068
Total Revenues and Other Financing Sources	1,063,650	(276,582)	787,068	787,068
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	50,907	-	50,907	50,907
Construction Services	736,161	-	736,161	736,161
Transfer to Capital Reserve	-	-	-	37,368
Total Expenditures and Other Financing Uses	787,068	-	787,068	787,068
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 276,582</u>	<u>\$ (276,582)</u>	<u>\$ -</u>	<u>\$ -</u>

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	570,000
Revised Authorized Cost	787,068
Additional Authorized Cost	217,068
Percentage Increase Over Original Authorized Cost	38.08%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2019
Revised Target Completion Date	11/30/2020

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

EXHIBIT F-2d

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,800,000	\$ -	\$ 1,800,000	\$ 1,800,000
Total Revenues and Other Financing Sources	1,800,000	-	1,800,000	1,800,000
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	63,430	63,430	100,000
Construction Services	-	-	-	1,700,000
Total Expenditures and Other Financing Uses	-	63,430	63,430	1,800,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 1,800,000	\$ (63,430)	\$ 1,736,570	\$ -

Project Number	4950-050-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,800,000
Revised Authorized Cost	1,800,000
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	3.52%
Original Target Completion Date	8/3/2020
Revised Target Completion Date	N/A

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND**
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS**
PAVING AND DRAINAGE - HIGH SCHOOL
YEAR ENDED JUNE 30, 2024

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,290,313	\$ -	\$ 1,290,313	\$ 1,290,313
Total Revenues and Other Financing Sources	1,290,313	-	1,290,313	1,290,313
Expenditures and Other Financing Uses:				
Construction Services	1,087,492	-	1,087,492	1,290,313
Total Expenditures and Other Financing Uses	1,087,492	-	1,087,492	1,290,313
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 202,821	\$ -	\$ 202,821	\$ -

Project Number	4950-050-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,290,313
Revised Authorized Cost	1,290,313
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	84.28%
Original Target Completion Date	12/1/2021
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from/(to) Capital Reserve	\$ 3,698,529	\$ (664,664)	\$ 3,033,865	\$ 3,033,865
Total Revenues and Other Financing Sources	3,698,529	(664,664)	3,033,865	3,033,865
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	136,713	-	136,713	136,713
Construction Services	2,897,152	-	2,897,152	2,897,152
Total Expenditures and Other Financing Uses	3,033,865	-	3,033,865	3,033,865
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 664,664	\$ (664,664)	\$ -	\$ -

Project Number	4950-050-21-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,875,000
Revised Authorized Cost	3,033,865
Additional Authorized Cost	(841,135)
Percentage Increase Over Original Authorized Cost	-21.71%
Percentage Completion	100.00%
Original Target Completion Date	6/1/2022
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from/(to) Capital Reserve	\$ 656,640	\$ (8,933)	\$ 647,707	\$ 647,707
Total Revenues and Other Financing Sources	656,640	(8,933)	647,707	647,707
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	166,704	-	166,704	166,704
Construction Services	481,003	-	481,003	481,003
Total Expenditures and Other Financing Uses	647,707	-	647,707	647,707
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 8,933	\$ (8,933)	\$ -	\$ -

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	647,707
Revised Authorized Cost	647,707
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/30/24
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 75,000	\$ (69,384)	\$ 5,616	\$ 5,616
Total Revenues and Other Financing Sources	75,000	(69,384)	5,616	5,616
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	5,616	-	5,616	5,616
Total Expenditures and Other Financing Uses	5,616	-	5,616	5,616
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 69,384</u>	<u>\$ (69,384)</u>	<u>\$ -</u>	<u>\$ -</u>

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	5,616
Revised Authorized Cost	5,616
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/30/24
Revised Target Completion Date	N/A

**SOUTHERN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND**
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ADMINISTRATION BUILDING IMPROVEMENTS
YEAR ENDED JUNE 30, 2025

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 325,000	\$ (65,992)	\$ 259,008	\$ 259,008
Total Revenues and Other Financing Sources	325,000	(65,992)	259,008	259,008
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	21,168	-	21,168	21,168
Construction Services	237,840	-	237,840	237,840
Transfer to Capital Reserve	-	-	-	-
Total Expenditures and Other Financing Uses	259,008	-	259,008	259,008
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 65,992</u>	<u>\$ (65,992)</u>	<u>\$ -</u>	<u>\$ -</u>

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	259,008
Revised Authorized Cost	259,008
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2024
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 2,292,000	\$ -	\$ 2,292,000	\$ 2,292,000
Total Revenues and Other Financing Sources	2,292,000	-	2,292,000	2,292,000
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	143,400	-	143,400	122,693
Construction Services	444,313	192,984	637,297	2,169,307
Total Expenditures and Other Financing Uses	587,713	192,984	780,697	2,292,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,704,287</u>	<u>\$ (192,984)</u>	<u>\$ 1,511,303</u>	<u>\$ -</u>

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,292,000
Revised Authorized Cost	2,292,000
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	34.06%
Original Target Completion Date	6/30/24
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 183,795	\$ (15,438)	\$ 168,357	\$ 168,357
Total Revenues and Other Financing Sources	183,795	(15,438)	168,357	168,357
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	168,357	-	168,357	168,357
Transfer to Capital Reserve	-	-	-	-
Total Expenditures and Other Financing Uses	168,357	-	168,357	168,357
Excess (Deficiency) of Revenues and Other Financing Sources	\$ 15,438.00	\$ (15,438)	\$ -	\$ -
Over (Under) Expenditures and Other Financing Uses	<u>15,438.00</u>	<u>(15,438)</u>	<u>\$ -</u>	<u>\$ -</u>

Project Number	4950-060-22-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	168,357
Revised Authorized Cost	168,357
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/24
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 3,258,031	\$ 420,000	\$ 3,678,031	\$ 3,678,031
Total Revenues and Other Financing Sources	<u>3,258,031</u>	<u>420,000</u>	<u>3,678,031</u>	<u>3,678,031</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	160,678	122,568	283,246	390,963
Construction Services	2,068,579	341,399	2,409,978	3,287,068
Total Expenditures and Other Financing Uses	<u>2,229,257</u>	<u>463,967</u>	<u>2,693,224</u>	<u>3,678,031</u>
Excess (Deficiency) of Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,028,774</u>	<u>\$ (43,967)</u>	<u>\$ 984,807</u>	<u>\$ -</u>

Project Number	4950-050-24-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,258,031
Revised Authorized Cost	3,678,031
Additional Authorized Cost	420,000
Percentage Increase Over Original Authorized Cost	12.89%
Percentage Completion	73.22%
Original Target Completion Date	12/1/2026
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 62,190	\$ -	\$ 62,190	\$ 62,190
Total Revenues and Other Financing Sources	62,190	-	62,190	62,190
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	14,520	29,205	43,725	62,190
Total Expenditures and Other Financing Uses	14,520	29,205	43,725	62,190
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 47,670</u>	<u>\$ (29,205)</u>	<u>\$ 18,465</u>	<u>\$ -</u>

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	62,190
Revised Authorized Cost	62,190
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	70.31%
Original Target Completion Date	12/1/2026
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 56,535	\$ 3,125,000	\$ 3,181,535	\$ 3,181,535
Total Revenues and Other Financing Sources	56,535	3,125,000	3,181,535	3,181,535
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	15,780	40,270	56,050	3,181,535
Total Expenditures and Other Financing Uses	15,780	40,270	56,050	3,181,535
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 40,755</u>	<u>\$ 3,084,730</u>	<u>\$ 3,125,485</u>	-

Project Number	29-450-X02-25-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	3,181,535
Revised Authorized Cost	3,181,535
Additional Authorized Cost	-
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	1.76%
Original Target Completion Date	12/1/2026
Revised Target Completion Date	N/A

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

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ -	\$ 3,325,000	\$ 3,325,000	\$ 3,325,000
Total Revenues and Other Financing Sources	- -	3,325,000	3,325,000	3,325,000
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	- -	175,000	175,000	200,000
Construction Services	- -	1,545,075	1,545,075	3,125,000
Total Expenditures and Other Financing Uses	- -	1,720,075	1,720,075	3,325,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ - -	\$ 1,604,925	\$ 1,604,925	\$ - -

Project Number	4950-X01-25-1000-P
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	56,535
Revised Authorized Cost	3,325,000
Additional Authorized Cost	3,268,465
Percentage Increase Over Original Authorized Cost	5781.31%
Percentage Completion	51.73%
Original Target Completion Date	12/1/2026
Revised Target Completion Date	N/A

G. Proprietary Funds

Enterprise Funds

EXHIBIT G-1

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL	
Current Assets:				
Cash & Cash Equivalents	\$ 310,553	\$ 12,815	\$ 323,368	
Accounts Receivable:				
State	1,194	-	1,194	
Federal	13,374	-	13,374	
Other	17,013	-	17,013	
Interfund Receivable	12,872	-	12,872	
Inventory	13,643	-	13,643	
 Total Current Assets	 368,649	 12,815	 381,464	
Noncurrent Assets:				
Furniture, Machinery & Equipment	934,516	-	934,516	
Less: Accumulated Depreciation	(507,407)	-	(507,407)	
 Total Noncurrent Assets	 427,109	 -	 427,109	
 Total Assets	 795,758	 12,815	 808,573	
LIABILITIES				
Current Liabilities:				
Unearned Revenue	18,467	-	18,467	
 Total Current Liabilities	 18,467	 -	 18,467	
 Total Liabilities	 18,467	 -	 18,467	
NET POSITION				
Investment in Capital Assets	427,109	-	427,109	
Unrestricted	350,182	12,815	362,997	
 Total Net Position	 \$ 777,291	 \$ 12,815	 \$ 790,106	

**SOUTHERN REGIONAL 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	COMMUNITY EDUCATION	TOTAL
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 332,651	\$ -	\$ 332,651
Daily Sales Nonreimbursable Programs	289,712	-	289,712
Special Functions	12,310	-	12,310
Miscellaneous	-	5,050	5,050
 Total Operating Revenue	 634,673	 5,050	 639,723
Operating Expenses:			
Salaries	381,915	4,369	386,284
Employee Benefits	52,357	-	52,357
Cleaning, Repair & Maintenance Services	4,039	-	4,039
Other Purchased Services	60,910	-	60,910
Depreciation	62,038	-	62,038
Miscellaneous	5,081	-	5,081
Cost of Sales - Reimbursable Programs	476,750	-	476,750
Cost of Sales - Non-Reimbursable Programs	109,667	-	109,667
 Total Operating Expenses	 1,152,757	 4,369	 1,157,126
 Operating/(Loss)/Gain	 (518,084)	 681	 (517,403)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	10,163	-	10,163
State School Lunch Program - Reduced	4,642	-	4,642
State School Breakfast Program	686	-	686
Working Class Families State Supplement - Lunch	15,952	-	15,952
Working Class Families State Supplement - Breakfast	1,889	-	1,889
Summer EBT Administrative Cost	321	-	321
Federal Sources:			
National School Lunch Program	336,248	-	336,248
Food Distribution Program	70,731	-	70,731
National School Breakfast Program	41,835	-	41,835
Summer EBT Administrative Cost	321	-	321
Local Food for Schools Cooperative	4,851	-	4,851
Interest & Investment Revenue	17,915	-	17,915
Gain/(Loss) on Capital Asset	17,097	-	17,097
 Total Nonoperating Revenues/ (Expenses)	 522,651	 -	 522,651
 Net Income/(Loss)	 4,567	 681	 5,248
Net Position - Beginning,	772,724	12,134	784,858
 Total Net Position - Ending	 \$ 777,291	 \$ 12,815	 \$ 790,106

**SOUTHERN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 569,951	\$ 5,050	\$ 575,001
Payments to Suppliers	(656,906)	-	(656,906)
Payments to Employees	(381,915)	(4,369)	(386,284)
Payments for Employee Benefits	(52,357)	-	(52,357)
Net Cash Provided/(Used) by Operating Activities	<u>(521,227)</u>	<u>681</u>	<u>(520,546)</u>
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(90,610)	-	(90,610)
Net Cash Used by Capital Financing Activities	<u>(90,610)</u>	<u>-</u>	<u>(90,610)</u>
Cash Flows From Non-Capital Financing Activities:			
Cash Received from State & Federal Reimbursements	-	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>479,462</u>	<u>-</u>	<u>479,462</u>
Cash Flows From Investing Activities:			
Interest Income	17,915	-	17,915
Net Cash Provided by Investing Activities	<u>17,915</u>	<u>-</u>	<u>17,915</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(114,460)	681	(113,779)
Cash & Cash Equivalents, July 1	<u>425,013</u>	<u>12,134</u>	<u>437,147</u>
Cash & Cash Equivalents, June 30	<u><u>\$ 310,553</u></u>	<u><u>\$ 12,815</u></u>	<u><u>\$ 323,368</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:			
Operating Income/(Loss)	\$ (518,084)	\$ 681	\$ (517,403)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	62,038	-	62,038
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(11,800)	-	(11,800)
(Increase)/Decrease in Inventory	(459)	-	(459)
Increase/(Decrease) in Unearned Revenue	(1,070)	-	(1,070)
Increase/(Decrease) in Interfund Payable	(38,980)	-	(38,980)
Total Adjustments	<u>(3,143)</u>	<u>-</u>	<u>(3,143)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (521,227)</u></u>	<u><u>\$ 681</u></u>	<u><u>\$ (520,546)</u></u>

Internal Service Fund
Not applicable

I. Long-Term Debt

EXHIBIT I-3

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

	JUNE 30, 2025				POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Operating Sources/(Uses):					
Operating Transfer Out	-	-	-	(26)	26
Total Other Financing Sources/ (Uses)	-	-	-	(26)	26
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(26)	26
Fund Balance, July 1	26	-	26	26	-
Fund Balance, June 30	\$ 26	\$ -	\$ 26	\$ -	\$ 26

EXHIBIT I-5

**SOUTHERN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2025**

	OUTSTANDING BALANCE 2024	ADDITIONS	OUTSTANDING BALANCE 2025
Governmental Compensated Absences	\$ 5,072,931	\$ 523,232	\$ 5,596,163
Total Compensated Absences	<u>\$ 5,072,931</u>	<u>\$ 523,232</u>	<u>\$ 5,596,163</u>

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.

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

	2025	2024	2023	2022	FISCAL YEAR ENDING JUNE 30,					2016
					2019	2020	2021	2018	2017	
Governmental Activities:										
Net Investment in Capital Assets	\$ 45,185,715	\$ 45,441,690	\$ 42,114,248	\$ 40,533,769	\$ 36,202,082	\$ 35,692,410	\$ 34,480,582	\$ 27,614,073	\$ 24,134,579	\$ 23,371,388
Restricted	23,657,595	26,939,459	26,521,442	24,035,617	24,889,239	(48,600,968)	19,453,868	17,404,101	17,791,192	9,369,395
Unrestricted	(12,031,317)	(15,253,434)	(15,277,135)	(16,871,867)	(20,257,803)	(22,556,750)	(23,277,151)	(24,764,789)	(25,750,560)	(18,250,930)
Total Governmental Activities	<u>\$ 56,811,993</u>	<u>\$ 57,127,715</u>	<u>\$ 53,358,555</u>	<u>\$ 47,697,519</u>	<u>\$ 40,833,518</u>	<u>\$ (35,465,308)</u>	<u>\$ 30,657,299</u>	<u>\$ 20,253,405</u>	<u>\$ 16,175,211</u>	<u>\$ 14,489,853</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 427,109	\$ 381,440	\$ 227,586	\$ 52,422	\$ 59,759	\$ 67,096	\$ 75,188	\$ 40,934	\$ 28,088	\$ 27,920
Unrestricted	362,997	403,418	499,730	404,154	404,154	(674)	16,224	66,271	108,003	123,510
Total Business-Type Activities	<u>\$ 790,106</u>	<u>\$ 784,858</u>	<u>\$ 727,316</u>	<u>\$ 456,576</u>	<u>\$ 125,742</u>	<u>\$ 66,422</u>	<u>\$ 91,412</u>	<u>\$ 107,205</u>	<u>\$ 136,091</u>	<u>\$ 151,430</u>
District-Wide:										
Net Investment in Capital Assets	\$ 45,612,824	\$ 45,823,130	\$ 42,341,834	\$ 40,586,191	\$ 36,261,842	\$ 35,759,506	\$ 34,555,770	\$ 27,655,007	\$ 24,162,667	\$ 23,399,308
Restricted	23,657,595	26,939,459	26,521,442	24,035,617	24,939,238	22,339,622	19,453,842	17,414,101	17,791,192	9,369,395
Unrestricted	(11,668,320)	(14,850,016)	(14,777,405)	(16,467,713)	(20,191,820)	(22,577,444)	(23,260,927)	(24,698,498)	(25,642,557)	(18,127,420)
Total District Net Position	<u>\$ 57,602,099</u>	<u>\$ 57,912,573</u>	<u>\$ 54,085,871</u>	<u>\$ 48,154,095</u>	<u>\$ 41,009,260</u>	<u>\$ 35,511,684</u>	<u>\$ 30,748,685</u>	<u>\$ 20,370,610</u>	<u>\$ 16,311,302</u>	<u>\$ 14,641,283</u>

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

	2025	2024	2023	2022	2021	FISCAL YEAR ENDING JUNE 30,	2020	2019	2018	2017	2016
Expenses:											
Governmental Activities											
Instruction:											
Regular	\$ 22,509,110	\$ 21,374,902	\$ 17,435,387	\$ 16,972,357	\$ 32,956,949	\$ 29,890,588	\$ 32,315,192	\$ 18,731,677	\$ 19,182,801	\$ 18,489,286	
Special Education	8,270,255	8,375,645	7,294,255	7,426,260	11,825,370	11,094,985	10,103,495	6,982,113	6,801,483	7,049,052	
Other Instruction	2,346,033	2,259,566	1,997,107	1,818,911	2,907,194	2,752,543	2,729,117	1,685,225	1,598,617	1,638,675	
Support Services:											
Tuition	296,872	744,607	6,427,467	383,308	6,080,180	632,574	256,441	296,244	394,945	318,069	
Student & Instruction Related Services	9,275,380	419,526	311,436	301,760	-	6,652,765	6,949,156	5,763,742	5,986,832	5,808,533	
Health Services						-	-	-	-	-	
Educational Media Services/School Library	540,680	522,882	368,516	342,910	-	-	-	-	-	-	
School Administrative Services	2,251,930	2,174,148	1,745,448	1,707,010	2,530,697	2,172,031	2,324,640	2,140,788	2,171,609	2,080,591	
General Administrative	1,029,929	1,055,579	948,116	965,893	1,119,362	1,170,865	1,165,139	992,498	1,062,092	916,905	
Central Services	1,001,927	951,292	691,539	662,485	1,000,456	899,560	972,585	775,974	769,672	686,429	
Administrative Information Technology	598,025	611,849	463,905	416,764	559,191	535,535	562,381	425,441	449,060	434,643	
Plant Operations & Maintenance	9,929,918	6,486,019	6,128,541	6,230,641	7,862,250	7,051,845	7,438,059	6,172,943	5,585,388	5,455,534	
Pupil Transportation	6,447,933	6,405,853	4,506,885	4,053,860	5,552,274	5,137,277	5,056,684	4,034,950	3,956,581	4,113,937	
Employee Benefits	8,776,728	9,264,257	17,960,613	19,443,386	-	-	-	11,344,211	15,636,826	14,187,433	
Special Schools	-	-	-	-	38,250	38,195	35,963	-	-	-	
Unallocated Depreciation	38,250	38,250	-	-	-	-	-	1,514,415	1,527,815	1,562,443	
Transfer to Enterprise Funds	2,592,579	2,370,177	2,177,080	1,915,848	-	-	27,000	125,285	-	-	
Interest and Charges on Long Term Debt	-	-	-	-	-	-	-	48,890	52,909	7,262	
Reduction of Capital Assets	-	-	-	-	-	-	-	-	28,1582	560,105	
Total Governmental Activities Expenses	\$76,325,025	\$71,445,801	\$68,612,228	\$68,833,267	\$76,324,286	\$67,679,630	\$70,073,940	\$61,007,812	\$65,213,186	\$63,398,897	
Business-Type Activities:											
Food Service/Community Education	1,157,126	1,083,773	987,208	1,132,019	453,738	758,030	984,778	962,731	1,026,437	1,050,833	
Total Business-Type Activities Expense	1,157,126	1,083,773	987,208	1,132,019	453,738	758,030	984,778	962,731	1,026,437	1,050,833	
Total District Expenses	\$ 77,482,151	\$ 72,529,574	\$ 69,559,436	\$ 69,965,286	\$ 76,773,024	\$ 68,437,660	\$ 71,058,718	\$ 61,970,513	\$ 66,239,823	\$ 64,449,730	

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

	2025	2024	2023	2022	2021	FISCAL YEAR ENDING JUNE 30,	2020	2019	2018	2017	2016
Program Revenues:											
Governmental Activities:											
Charges for Services & Operating Grants											
Instruction (Special Education)	\$ 1,166,577	\$ 2,122,222	\$ 3,174,503	\$ 2,502,670	\$ 17,128,604	\$ 12,790,324	\$ 14,083,026	\$ 761,213	\$ 786,811	\$ 818,469	
Support Services:											
Student & Instruction & Related Services	79,940	170,777	198,424	196,947	3,730,841	867,601	1,262,884	71,968	83,135	69,576	
Employee Benefits	5,641,003	7,137,367	7,444,796	11,063,735	-	-	-	1,240,457	10,489,548	10,062,740	
Total Governmental Activities Program Revenues	6,887,520	9,430,366	10,787,723	13,763,352	20,859,445	13,657,925	15,345,910	2,073,618	11,366,494	10,950,785	
Business-Type Activities:											
Charges for Services:											
Food Service/Community Education	639,723	681,598	694,353	156,233	81,017	442,856	595,711	618,045	651,233	671,189	
Operating Grants & Contributions	487,639	480,796	567,196	1,306,620	383,061	241,912	313,753	315,571	339,642	329,979	
Total Business Type Activities Program Revenues	1,127,362	1,162,394	1,261,549	1,462,853	464,078	684,768	909,464	933,616	1,010,875	1,001,168	
Total District Program Revenues	\$ 8,014,882	\$ 10,592,760	\$ 12,049,272	\$ 15,226,205	\$ 21,323,523	\$ 14,342,693	\$ 16,255,374	\$ 3,007,234	\$ 12,380,369	\$ 11,951,953	
Net/(Expense)/Revenue:											
Governmental Activities	\$ (69,437,505)	\$ (62,015,435)	\$ (57,824,505)	\$ (55,069,915)	\$ (55,464,841)	\$ (54,021,705)	\$ (54,728,030)	\$ (56,934,194)	\$ (53,843,692)	\$ (52,448,112)	
Business-Type Activities	(29,754)	78,621	274,341	330,834	10,340	(73,262)	(75,314)	(29,115)	(15,562)	(49,655)	
Total District-Wide Net Expense	\$ (69,467,269)	\$ (61,936,814)	\$ (57,550,164)	\$ (54,739,081)	\$ (55,454,501)	\$ (54,094,967)	\$ (54,803,344)	\$ (58,963,309)	\$ (53,859,254)	\$ (52,497,777)	

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

	2025		2024		2023		2022		2021		FISCAL YEAR ENDING JUNE 30,		2020		2019		2018		2017		2016	
	2025	2024	2024	2023	2023	2022	2022	2022	2021	2021	2020	2020	2019	2019	2019	2018	2018	2017	2017	2017	2016	
General Revenues & Other Changes in Net Position:																						
Governmental Activities:																						
Property Taxes Levied for General Purposes, Net	\$ 51,688,603	\$ 50,254,950	\$ 49,296,603	\$ 48,371,243	\$ 47,650,013	\$ 46,781,910	\$ 46,318,846	\$ 44,960,904	\$ 43,890,411	\$ 42,545,911												
Taxes Levied for Debt Service	5,144,110	-	4,739,572	4,534,000	3,955,774	3,555,031	3,342,730	-	246,190	1,538,933	1,622,557										1,693,882	
Unrestricted Grants & Contributions	8,127,701	6,823,927	6,910,065	7,068,408	7,334,695	767,932	8,103,900	6,506,479	8,968,178	2,490,675	6,385,287	2,736,972									7,195,290	
Tuition Received	822,620	721,273	719,943	739,550	705,800	802,109	1,025,148	924,054	1,052,188	971,960											3,567	
Transportation Fees	20,000	2,000	137,348	2,041	-	-	-	-	-	19,625	104,155	81,831									65,815	
Investment Earnings	3,318,749	3,242,873	1,887,582	1,746,900	684,465	260,076	173,904	(35,044)	(136,263)	-	-	-									-	
Miscellaneous Income	-	-	-	-	-	(51,550)	(52,000)	-	-	-	-	-									-	
Loss on Disposal of Capital Assets																					-	
Transfers																					-	
Total Governmental Activities	69,121,783	65,784,595	63,485,541	61,883,916	59,786,454	51,919,713	58,675,674	63,022,368	55,529,050	55,213,397												
Business-Type Activities:																						
Investment Earnings	17,915	-	(21,079)	-	(3,601)	-	-	-	-	-	(2,971)	229	223								244	
Loss on Disposal of Capital Assets	17,097	-	-	-	-	-	52,000	48,253	125,557	-	-	-	-								42,224	
Transfers/Other	-																					
Total Business-Type Activities	35,012	(21,079)	(3,601)	-	-	52,000	48,253	122,586	229	229	223										42,468	
Total District-Wide	\$ 69,156,795	\$ 65,764,516	\$ 63,481,940	\$ 61,883,916	\$ 59,783,454	\$ 51,967,966	\$ 56,798,260	\$ 63,022,617	\$ 55,529,273	\$ 55,255,865												
Change in Net Position:																						
Governmental Activities	\$ (315,722)	\$ 3,769,160	\$ 5,661,036	\$ 6,814,001	\$ 4,321,613	\$ (2,101,992)	\$ 3,947,644	\$ 4,088,194	\$ 1,685,358	\$ 2,765,285												
Business-Type Activities	5,248	57,542	270,740	330,834	62,340	(25,009)	47,272	(28,836)	(15,339)	(7,197)												
Total District	\$ (30,474)	\$ 3,826,702	\$ 5,931,776	\$ 7,144,835	\$ 4,383,953	\$ (2,127,001)	\$ 3,994,916	\$ 4,059,398	\$ 167,0019	\$ 2,758,088												

SOUTHERN 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
General Fund:						
Restricted	\$ 15,595,170	\$ 18,927,686	\$ 19,724,284	\$ 16,773,779	\$ 16,300,655	\$ 17,953,013
Assigned	1,078,262	1,926,780	3,345,621	1,907,750	2,010,831	1,640,980
Unrestricted	1,803,725	1,612,250	1,617,848	3,036,456	3,098,740	1,677,779
Total General Fund	\$ 18,477,157	\$ 22,466,716	\$ 24,687,753	\$ 21,717,985	\$ 13,299,185	\$ 10,753,909
All Other Governmental Funds:						
Restricted	\$ 11,700,427	\$ 8,352,214	\$ 7,126,160	\$ 8,000,196	\$ 8,638,584	\$ 4,376,609
Total All Other Governmental Funds	\$ 11,700,427	\$ 8,352,214	\$ 7,126,160	\$ 8,000,196	\$ 597,575	\$ 220,839

SOUTHERN REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes Local	\$ 51,638,603	\$ 50,254,950	\$ 49,296,603	\$ 48,371,243	\$ 47,650,013	\$ 46,781,910	\$ 46,565,036	\$ 46,493,897	\$ 45,512,968	\$ 44,239,793
Tuition Charges	8,127,701	6,823,927	6,910,055	7,068,408	7,334,695	7,677,932	8,103,900	6,506,479	6,385,287	7,195,290
Transportation	822,620	721,273	719,943	739,550	705,801	802,109	1,025,148	925,054	1,052,188	971,980
Interest Earnings	20,000	2,000	137,262	2,000	-	-	-	19,560	6,002	3,468
Miscellaneous	3,318,749	3,242,873	1,887,552	1,746,900	684,434	260,029	167,503	104,155	81,831	65,815
State Sources	18,561,025	18,024,960	17,781,667	16,545,567	13,363,422	11,397,517	10,796,531	8,937,259	7,844,497	7,316,222
Federal Sources	1,233,195	2,216,859	3,297,913	2,716,638	1,584,041	915,625	1,036,572	864,100	907,926	907,128
Total Revenue	83,771,893	81,286,842	80,031,035	77,190,306	71,322,405	67,835,122	67,694,990	63,856,504	61,790,699	60,699,676
Expenditures:										
Instruction:										
Regular Instruction	22,509,110	21,374,902	17,435,387	16,972,357	20,018,032	19,757,552	20,801,040	18,731,677	19,182,801	18,489,286
Special Education Instruction	8,207,255	8,375,645	7,294,255	7,426,260	7,182,723	7,333,738	6,503,542	6,382,113	6,801,483	7,049,052
Other Instruction	2,346,033	2,259,566	1,997,107	1,818,911	1,765,828	1,819,419	1,756,712	1,685,525	1,598,617	1,638,675
Undistributed:										
Tuition	296,872	744,607	389,304	495,002	516,320	227,189	256,501	394,945	149,919	318,069
Attendance & Social Work Services	384,162	217,904	115,598	105,686	7,088,261	5,387,205	5,499,725	5,763,742	5,986,832	5,808,533
Health Services	419,526	383,308	311,436	301,760	-	-	-	-	-	-
Related Services	2,598,391	2,287,146	1,943,436	1,988,993	-	-	-	-	-	-
Extraordinary Services	1,835,600	1,674,888	947,592	873,965	-	-	-	-	-	-
Support Services - Students:										
Regular	1,959,124	1,828,102	1,336,240	1,308,212	-	-	-	-	-	-
Special	1,720,258	1,660,634	1,277,648	1,228,222	-	-	-	-	-	-
Improvement of Instruction	777,845	760,817	534,633	574,186	-	-	-	-	-	-
Educational Media Services	540,630	522,882	368,516	342,910	-	-	-	-	-	-
Other Support Services	6,534	4,658	1,987	-	1,808,027	1,778,084	1,846,187	1,201,415	1,218,732	1,121,072
General Administration	1,023,395	1,050,921	946,129	965,893	913,646	1,037,306	1,008,827	962,498	1,062,092	916,905
School Administration	2,251,930	2,174,148	1,745,448	1,707,010	2,065,607	1,924,271	2,012,772	2,140,788	2,171,609	2,080,591
Central Administration	1,001,927	951,927	691,539	662,485	-	-	-	-	-	-

SOUTHERN REGIONAL 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
Expenditures (continued):										
Administration Information Technology	598,025	611,849	463,905	416,764	-	-	-	-	-	-
Allowable Maintenance for School Facilities	2,447,274	2,482,687	1,904,497	2,019,260	6,261,680	6,521,833	6,248,055	5,555,641	5,677,472	5,411,015
Operation & Maintenance of Plant Services	5,234,786	4,975,255	4,150,264	3,957,297	4,053,860	4,551,275	4,378,291	3,956,581	4,113,937	4,399,507
Student Transportation	6,447,933	6,405,263	4,506,885	-	11,192,553	11,015,318	11,217,428	9,268,577	8,605,750	6,842,199
Unallocated Benefits	3,717,324	3,563,588	12,538,831	-	-	-	-	-	-	-
On Behalf TPAF Pension and Social Security Contributions	13,411,471	13,214,190	13,172,663	12,606,814	2,580,306	4,603,245	1,989,496	1,075,286	1,271,217	1,244,935
Capital Outlay	4,576,584	4,720,757	3,834,061	6,504,557	-	251,950	489,453	1,750,264	1,565,000	1,625,000
Debt Service Expenditures:	-	-	-	-	38,250	38,250	39,505	57,250	57,563	93,375
Principal	-	-	-	-	-	-	-	-	-	126,425
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	84,413,239	82,283,849	77,945,601	77,522,957	66,057,223	66,514,579	63,033,898	58,708,224	58,495,391	57,126,264
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(641,346)	(997,007)	2,085,434	(332,651)	5,265,182	1,320,543	4,661,092	5,148,280	3,295,308	3,573,412
Other Financing Sources/(Uses):										
Financed Purchases (Non-Budgeted)	(7,971,019)	(3,376,756)	-	(3,532,435)	(1,827,000)	(3,664,356)	-	(3,300,000)	(413,730)	495,000
Transfers Out	-	-	8,275	3,552,435	1,800,000	3,539,071	1,823,432	3,300,000	413,730	(782,928)
Transfers In	7,971,019	3,376,756	-	-	-	(27,000)	(125,285)	1,823,432	-	780,928
Total Other Financing Sources/(Uses)	-	-	8,275	-	-	-	-	-	-	493,000
Net Change in Fund Balances	<u>(\$641,346)</u>	<u>(\$997,007)</u>	<u>\$2,093,709</u>	<u>(\$332,651)</u>	<u>\$5,238,182</u>	<u>\$1,195,258</u>	<u>\$6,434,524</u>	<u>\$5148,280</u>	<u>\$3,295,308</u>	<u>\$4,066,412</u>
Debt Service as a Percentage of Noncapital Expenditures	0%	0%	0%	0%	1%	3%	3%	3%	3%	3%
Source: District Records										

Revenue Capacity Information

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

EXHIBIT J-5

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2025	20,000	\$ 1,301,419	\$ 1,321,419
2024	2,000	1,472,489	1,474,489
2023	137,262	536,831	674,093
2022	2,000	247,457	249,457
2021	2,000	98,622	100,622
2020	1,000	259,029	260,029
2019	10,147	163,619	173,766
2018	19,163	104,155	123,318
2017	6,002	81,374	87,376
2016	3,378	65,808	69,186

Source: District records

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

BARNEGAT LIGHT

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2025	\$ 22,091,400	\$ 1,015,975,500	\$ 39,478,900	\$ 1,156,800	\$ 1078,702,600	\$ 129,349,100	\$ 1,208,051,700	0.2420
2024	\$ 27,001,900	\$ 997,450,300	\$ 38,374,700	\$ 1,156,800	\$ 1,063,983,700	\$ 130,424,700	\$ 1,194,408,400	0.1990
2023	\$ 28,402,100	\$ 984,256,800	\$ 38,374,700	\$ 1,156,800	\$ 1,052,190,400	\$ 130,424,700	\$ 1,182,615,100	0.1990
2022	\$ 29,641,500	\$ 976,808,500	\$ 37,150,100	\$ 1,156,800	\$ 1,044,756,900	\$ 130,424,700	\$ 1,175,181,600	0.1800
2021	\$ 29,373,900	\$ 954,585,800	\$ 37,150,100	\$ 1,156,800	\$ 1,022,266,600	\$ 130,404,700	\$ 1,152,671,300	0.2490
2020	\$ 31,120,000	\$ 942,012,200	\$ 37,694,300	\$ 1,156,800	\$ 1,011,983,300	\$ 130,404,700	\$ 1,142,388,000	0.2610
2019	\$ 29,678,400	\$ 945,058,800	\$ 35,725,300	\$ 1,156,800	\$ 1,011,619,300	\$ 130,404,700	\$ 1,142,024,000	0.2330
2018	\$ 33,208,200	\$ 935,636,500	\$ 36,303,852	\$ 1,156,800	\$ 1,006,305,352	\$ 130,319,700	\$ 1,136,625,052	0.2350
2017	\$ 33,681,500	\$ 929,111,400	\$ 36,664,300	\$ 1,156,800	\$ 1,000,614,000	\$ 130,119,700	\$ 1,130,733,700	0.2490
2016	\$ 33,406,600	\$ 928,665,600	\$ 37,204,437	\$ 1,156,800	\$ 1,000,433,437	\$ 129,937,700	\$ 1,130,371,137	0.1830
BEACH HAVEN								
2025	\$ 38,627,000	\$ 2,030,507,400	\$ 124,916,800	\$ 14,137,900	\$ 2,208,189,100	\$ 66,731,300	\$ 2,274,920,400	0.3970
2024	\$ 41,088,100	\$ 2,009,940,900	\$ 123,181,200	\$ 14,137,900	\$ 2,188,348,100	\$ 68,930,300	\$ 2,257,278,400	0.3070
2023	\$ 60,971,900	\$ 1,966,173,900	\$ 122,338,900	\$ 14,137,900	\$ 2,163,622,600	\$ 70,612,500	\$ 2,234,235,100	0.3070
2022	\$ 61,305,600	\$ 1,943,651,900	\$ 122,338,900	\$ 14,137,900	\$ 2,141,434,300	\$ 69,912,500	\$ 2,211,346,800	0.2980
2021	\$ 60,491,800	\$ 1,933,830,300	\$ 124,719,200	\$ 14,137,900	\$ 2,133,179,200	\$ 62,945,700	\$ 2,196,124,900	0.2940
2020	\$ 60,600,600	\$ 1,911,509,700	\$ 128,845,800	\$ 14,137,900	\$ 2,115,094,000	\$ 64,237,600	\$ 2,179,331,600	0.3270
2019	\$ 63,815,500	\$ 1,897,035,300	\$ 128,623,200	\$ 15,022,900	\$ 2,104,496,900	\$ 60,685,600	\$ 2,165,182,500	0.3020
2018	\$ 70,975,900	\$ 1,864,116,800	\$ 130,675,110	\$ 15,022,900	\$ 2,080,790,710	\$ 60,685,600	\$ 2,141,476,310	0.3560
2017	\$ 71,041,500	\$ 1,850,883,300	\$ 131,104,600	\$ 15,022,900	\$ 2,068,052,300	\$ 60,685,600	\$ 2,128,737,900	0.3060
2016	\$ 72,703,300	\$ 1,495,079,300	\$ 104,787,941	\$ 11,888,900	\$ 1,684,459,441	\$ 50,361,200	\$ 1,734,820,641	0.3010

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

HARVEY CEDARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE	
								\$	\$
2025	\$ 19,112,100	\$ 1,342,923,600	\$ 15,198,100	\$ 15,109,300	\$ 1,347,808,200	\$ 47,598,600	\$ 1,424,351,400	0.2540	
2024	28,757,200	1,303,941,700	15,109,300	15,109,300	1,326,313,100	47,598,600	1,395,406,800	0.2360	
2023	35,065,000	1,276,138,800	15,109,300	15,109,300	-	1,320,140,100	47,598,600	1,373,911,700	0.2360
2022	27,400,200	1,277,630,600	15,109,300	15,109,300	-	1,297,958,700	47,561,200	1,367,738,700	0.2860
2021	23,515,200	1,259,334,200	15,109,300	15,109,300	-	1,297,958,700	47,561,200	1,345,519,900	0.2760
2020	23,515,200	1,259,334,200	15,109,300	15,109,300	-	1,286,166,300	47,561,200	1,345,519,900	0.2760
2019	23,480,400	1,247,576,600	15,109,300	15,109,300	-	1,281,039,500	43,045,600	1,333,727,500	0.2670
2018	22,040,800	1,243,889,400	15,109,300	15,109,300	-	1,258,964,054	43,045,600	1,324,085,100	0.2590
2017	31,136,600	1,212,703,200	15,124,254	14,959,100	-	1,242,081,000	43,090,400	1,302,009,654	0.2730
2016	33,832,500	1,193,289,400	14,959,100	14,959,100	-	1,285,171,400	43,090,400	1,285,171,400	0.2510
LONG BEACH TOWNSHIP									
2025	\$ 188,025,100	\$ 10,716,205,100	\$ 135,426,700	\$ 1,865,000	\$ 11,041,521,900	\$ 127,432,700	\$ 11,168,954,600	0.2530	
2024	223,609,700	10,519,993,100	134,246,600	1,865,000	10,879,714,400	125,537,600	11,005,252,000	0.2520	
2023	242,942,800	10,313,984,200	139,245,300	1,865,000	10,698,037,300	126,475,800	10,824,513,100	0.2520	
2022	290,510,700	10,077,612,600	139,853,400	1,865,000	10,509,841,700	126,436,700	10,636,278,400	0.2510	
2021	215,393,500	10,090,886,400	148,862,700	1,865,000	10,457,007,600	123,342,100	10,580,349,700	0.2410	
2020	215,393,500	10,090,886,400	148,862,700	1,865,000	10,457,007,600	123,342,100	10,580,349,700	0.2410	
2019	228,418,600	7,699,298,965	136,455,400	3,317,300	8,067,490,265	94,538,100	8,162,028,365	0.3010	
2018	240,661,400	7,602,874,965	137,495,200	4,239,500	7,985,271,065	95,445,300	8,080,716,365	0.3150	
2017	250,261,600	7,513,702,465	140,767,793	4,239,500	7,908,971,358	96,687,700	8,005,659,058	0.2910	
2016	231,570,900	7,472,986,765	140,232,400	4,951,800	7,849,741,865	95,011,800	7,944,753,665	0.2360	

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

SHIP BOTTOM BOROUGH

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	VALUATION TAXABLE	NET TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE	
								TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2025	\$ 20,771,600	\$ 1,315,345,400	\$ 134,278,600	\$ 3,149,400	\$ 1,473,545,000	\$ 89,495,400	\$ 1,563,040,400	0.2490	
2024	20,700,000	1,296,563,000	133,789,300	3,149,400	1,454,201,700	88,415,400	1,542,617,100	0.2780	
2023	22,101,800	1,280,465,200	132,234,200	3,149,400	1,437,950,600	74,817,000	1,512,767,600	0.2780	
2022	27,417,600	1,258,930,600	131,459,900	3,149,400	1,420,957,500	72,243,400	1,493,200,900	0.2490	
2021	26,217,600	1,238,906,800	132,131,807	3,149,400	1,400,405,607	71,654,007	1,472,059,614	0.2670	
2020	22,933,400	1,220,973,300	130,902,399	3,149,400	1,377,958,499	71,359,507	1,449,318,006	0.2740	
2019	26,230,300	1,194,142,000	115,402,140	3,149,400	1,338,923,840	71,359,507	1,410,283,347	0.2880	
2018	27,642,400	1,178,083,700	115,537,551	3,149,400	1,324,413,051	71,037,107	1,395,450,158	0.3010	
2017	35,815,000	1,156,328,700	116,839,700	3,149,400	1,312,132,800	70,971,307	1,383,104,107	0.2520	
2016	33,876,200	983,853,300	115,437,726	2,659,900	1,135,827,126	54,215,000	1,190,042,126	0.2180	
STAFFORD TOWNSHIP									
2025	\$ 45,310,500	\$ 3,928,612,600	\$ 539,898,200	\$ 13,261,100	\$ 4,527,082,400	\$ 439,058,600	\$ 4,966,141,000	1.0480	
2024	49,733,100	3,885,782,900	534,988,700	12,921,100	4,483,425,800	430,768,600	4,914,194,400	0.9640	
2023	55,802,400	3,829,951,800	525,360,200	12,921,100	4,424,035,500	428,287,200	4,852,322,700	0.9640	
2022	56,379,900	3,763,330,600	525,854,200	12,921,100	4,358,485,800	424,706,400	4,783,192,200	0.9430	
2021	64,393,500	3,697,384,400	523,311,200	12,921,100	4,298,010,200	417,274,828	4,715,285,028	0.9570	
2020	65,127,900	3,646,224,400	535,994,600	12,321,100	4,259,668,000	405,645,628	4,665,313,628	0.9590	
2019	72,800,000	3,591,719,700	535,289,700	10,201,100	4,210,010,500	395,152,828	4,605,163,328	0.9420	
2018	70,768,300	3,546,662,300	540,809,311	9,983,500	4,168,223,411	394,369,228	4,562,592,639	0.9540	
2017	77,666,700	3,316,100,000	494,529,500	5,301,000	3,893,597,200	390,037,828	4,283,635,028	0.9910	
2016	82,398,900	3,264,430,450	496,908,050	5,301,000	3,849,038,400	381,450,901	4,230,489,301	0.2360	

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	TOTAL ASSESSED VALUE		TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE
				TAX EXEMPT	PROPERTY				
2025	\$ 28,862,700	\$ 1,983,825,600	\$ 74,621,400	\$ 2,087,309,700	\$ 65,469,900	\$ 65,469,900	\$ 916,900	\$ 2,152,779,600	0.3060
2024	30,198,300	1,950,880,400	76,425,900	2,057,504,600	64,109,400	64,109,400	916,900	2,122,530,900	0.3160
2023	36,565,800	1,909,174,900	77,438,500	2,023,174,200	63,009,400	63,009,400	916,900	2,087,100,500	0.3160
2022	37,061,700	1,872,394,100	82,435,900	1,991,891,700	64,455,800	64,455,800	916,904	2,057,264,404	0.3350
2021	33,053,600	1,853,669,500	82,576,400	1,969,299,500	63,355,600	63,355,600	916,904	2,033,572,004	0.2820
2020	26,852,000	1,836,211,100	82,587,100	1,945,650,200	63,525,500	63,525,500	916,904	2,010,092,604	0.2570
2019	38,486,500	1,803,572,700	82,876,900	1,924,936,100	63,547,500	63,547,500	817,895	1,989,301,495	0.2500
2018	16,654,900	1,503,368,695	76,744,795	1,596,768,390	50,437,900	50,437,900	-	1,647,206,290	0.3020
2017	18,006,800	1,485,102,800	76,553,120	1,579,662,720	50,404,100	50,404,100	-	1,630,066,820	0.3120
2016	27,681,500	1,460,346,700	78,219,977	1,566,248,177	50,197,700	50,197,700	-	1,616,445,877	0.3010

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE		
	LOCAL SCHOOL		REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF BARNEGAT LIGHT		COUNTY LIBRARY	COUNTY OPEN SPACE	OVERLAPPING TAX RATE
	SCHOOL DISTRICT DIRECT RATE	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF BARNEGAT LIGHT	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	TOTAL DIRECT AND OVERLAPPING TAX RATE
2025	0.0560	0.1860	0.2420	0.2690	0.5220	0.0520	0.0220	0.1070	
2024	0.0440	0.1550	0.1990	0.2560	0.3840	0.0370	0.0150	0.8910	
2023	0.0440	0.1360	0.1800	0.2510	0.3480	0.0350	0.0130	0.8270	
2022	0.0440	0.1360	0.1800	0.2510	0.3480	0.0350	0.0130	0.8270	
2021	0.0450	0.2040	0.2490	0.2460	0.3440	0.0380	0.0130	0.8900	
2020	0.0470	0.2140	0.2610	0.2410	0.3500	0.0390	0.0120	0.9030	
2019	0.0470	0.1860	0.2330	0.2360	0.3500	0.0390	0.0120	0.8700	
2018	0.0460	0.1890	0.2350	0.2260	0.3440	0.0380	0.0120	0.8550	
2017	0.0460	0.1890	0.2350	0.2260	0.3440	0.0380	0.0120	0.8550	
2016	0.0460	0.2030	0.2490	0.2270	0.3570	0.0390	0.0130	0.8850	
FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE		
	LOCAL SCHOOL		REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF BEACH HAVEN		OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE
	SCHOOL DISTRICT DIRECT RATE	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF BEACH HAVEN	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	TOTAL DIRECT AND OVERLAPPING TAX RATE
2025	0.0990	0.2980	0.3970	0.4840	0.5230	N/A	N/A	0.0220	1.4260
2024	0.0980	0.2090	0.3070	0.4410	0.4450	N/A	N/A	0.0180	1.2110
2023	0.0970	0.2010	0.2980	0.4240	0.3880	N/A	N/A	0.0150	1.1250
2022	0.0970	0.2010	0.2980	0.4240	0.3880	N/A	N/A	0.0150	1.1250
2021	0.0960	0.1980	0.2940	0.4200	0.3700	N/A	N/A	0.0130	1.0970
2020	0.0960	0.2310	0.3270	0.3730	0.3710	N/A	N/A	0.0140	1.1210
2019	0.0970	0.2050	0.3020	0.4080	0.3660	N/A	N/A	0.0130	1.0890
2018	0.0960	0.2600	0.3560	0.4060	0.3520	N/A	N/A	0.0130	1.1270
2017	0.0960	0.2600	0.3560	0.4060	0.3520	N/A	N/A	0.0130	1.1270
2016	0.0880	0.2180	0.3060	0.4060	0.3520	N/A	N/A	0.0120	1.0760

Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL		TOTAL DIRECT	BOROUGH OF HARVEY CEDARS		COUNTY LIBRARY	
	REGIONAL SCHOOL	LOCAL SCHOOL		OCEAN COUNTY	OCEAN COUNTY		
2025	0.0510	0.2030	0.2540	0.3170	0.4740	0.0470	1.1120
2024	0.0440	0.1920	0.2360	0.3050	0.3890	0.0370	0.9830
2023	0.0440	0.2420	0.2860	0.2830	0.3500	0.0350	0.9670
2022	0.0440	0.2420	0.2860	0.2830	0.3500	0.0350	0.9670
2021	0.0440	0.2320	0.2760	0.2830	0.3330	0.0360	0.9400
2020	0.0450	0.2220	0.2670	0.2770	0.3350	0.0370	0.9280
2019	0.0460	0.2130	0.2590	0.2660	0.3410	0.0380	0.9160
2018	0.0470	0.2260	0.2730	0.2660	0.3480	0.0380	0.9370
2017	0.0460	0.2360	0.2820	0.2660	0.3550	0.0380	0.9540
2016	0.0440	0.2780	0.3220	0.2510	0.3660	0.0400	0.9910
						0.0120	
FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL		TOTAL DIRECT	TOWNSHIP OF LONG BEACH		COUNTY LIBRARY	
	REGIONAL SCHOOL	LOCAL SCHOOL		OCEAN COUNTY	OCEAN COUNTY		
2025	0.0410	0.2120	0.2530	0.2200	0.3850	0.0390	0.9130
2024	0.0420	0.2100	0.2520	0.2130	0.3720	0.0350	0.8870
2023	0.0420	0.2090	0.2510	0.2090	0.3280	0.0320	0.8320
2022	0.0420	0.2090	0.2510	0.2090	0.3280	0.0320	0.8320
2021	0.0410	0.2000	0.2410	0.2050	0.3140	0.0350	0.8060
2020	0.0510	0.2500	0.3010	0.2540	0.3830	0.0420	0.9940
2019	0.0510	0.2640	0.3150	0.2540	0.3790	0.0420	1.0030
2018	0.0500	0.2410	0.2910	0.2500	0.3780	0.0410	0.9730
2017	0.0480	0.2610	0.3090	0.2360	0.3790	0.0410	0.9780
2016	0.0470	0.2650	0.3120	0.2320	0.3870	0.0420	0.9860
						0.0130	

Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF SHIP BOTTOM	OCEAN COUNTY	COUNTY LIBRARY	
2025	0.0530	0.1960	0.2490	0.4250	0.4960	0.0500	0.0210
2024	0.0480	0.2300	0.2780	0.3850	0.4280	0.0410	0.0170
2023	0.0490	0.2000	0.2490	0.3750	0.3830	0.0380	0.0140
2022	0.0490	0.2000	0.2490	0.3750	0.3830	0.0380	0.0140
2021	0.0480	0.2190	0.2670	0.3650	0.3690	0.0400	0.0130
2020	0.0490	0.2250	0.2740	0.3590	0.3700	0.0410	0.0130
2019	0.0480	0.2400	0.2880	0.3540	0.3630	0.0400	0.0130
2018	0.0480	0.2530	0.3010	0.3440	0.3620	0.0400	0.0130
2017	0.0440	0.2080	0.2520	0.3400	0.3490	0.0380	0.0120
2016	0.0470	0.2180	0.2650	0.3930	0.3930	0.0430	0.0130
							1.2410
FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF STAFFORD	OCEAN COUNTY	COUNTY LIBRARY	
2025	0.8200	0.2280	1.0480	0.9720	0.5020	0.0500	0.0210
2024	0.7310	0.2330	0.9640	0.9580	0.4510	0.0430	0.0180
2023	0.7180	0.2250	0.9430	0.9290	0.4060	0.0400	0.0150
2022	0.7180	0.2250	0.9430	0.9290	0.4060	0.0400	0.0150
2021	0.7160	0.2410	0.9570	0.9110	0.3800	0.0410	0.0140
2020	0.7160	0.2430	0.9590	0.9110	0.3800	0.0420	0.0140
2019	0.7140	0.2280	0.9420	0.9040	0.3740	0.0410	0.0130
2018	0.7140	0.2400	0.9540	0.8980	0.3600	0.0390	0.0130
2017	0.7520	0.2390	0.9910	0.9110	0.3820	0.0410	0.0130
2016	0.7520	0.2360	0.9880	0.8950	0.3770	0.0410	0.0130
							2.6230
FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF STAFFORD	OCEAN COUNTY	COUNTY LIBRARY	
2025							2.4590
2024							2.3540
2023							2.3220
2022							2.3250
2021							2.2920
2020							2.2780
2019							2.3530
2018							2.3290

Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL		REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF SURF CITY	OCEAN COUNTY	
	COUNTY OPEN SPACE	COUNTY OPEN SPACE	COUNTY LIBRARY	COUNTY OPEN SPACE	COUNTY OPEN SPACE	COUNTY LIBRARY	
2025	0.0490	0.2570	0.3060	0.2350	0.4590	0.0460	1.0660
2024	0.0450	0.2710	0.3160	0.2350	0.4000	0.0380	1.0050
2023	0.0450	0.2900	0.3350	0.2390	0.3570	0.0350	0.9800
2022	0.0450	0.2900	0.3350	0.2390	0.3570	0.0350	0.9800
2021	0.0440	0.2380	0.2820	0.2390	0.3330	0.0360	0.9020
2020	0.0440	0.2130	0.2570	0.2390	0.3280	0.0370	0.8730
2019	0.0440	0.2060	0.2500	0.2390	0.3330	0.0370	0.8710
2018	0.0510	0.2510	0.3020	0.2790	0.3800	0.0410	1.0150
2017	0.0490	0.2630	0.3120	0.2720	0.3880	0.0420	1.0280
2016	0.0460	0.2550	0.3010	0.2670	0.3810	0.0410	1.0030

Source: Municipal Tax Collector

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

BARNEGAT LIGHT

NOT AVAILABLE

BEACH HAVEN

NOT AVAILABLE

HARVEY CEDARS

NOT AVAILABLE

LONG BEACH TOWNSHIP

NOT AVAILABLE

SHIP BOTTOM

NOT AVAILABLE

STAFFORD TOWNSHIP

NOT AVAILABLE

SURF CITY

NOT AVAILABLE

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A
2023	\$ 9,478,304	\$ 9,540,481	100.66%	N/A
2022	8,746,310	8,686,176	99.31%	\$ 7,727
2021	9,244,926	9,184,926	99.35%	31,690
2020	9,236,070	9,176,773	99.36%	33,470
2019	8,870,611	8,790,669	99.10%	20,435
2018	8,645,147	8,597,813	99.45%	N/A
2017	9,011,724	8,872,489	98.45%	N/A
2016	8,721,211	8,582,055	98.40%	N/A

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A
2023	\$ 26,269,697	\$ 26,140,638	99.51%	N/A
2022	24,230,948	23,981,484	98.97%	\$ 250,325
2021	23,510,180	23,086,684	98.20%	324,483
2020	23,820,917	23,518,570	98.73%	247,411
2019	23,029,065	22,712,816	98.63%	N/A
2018	23,570,644	23,322,602	98.95%	N/A
2017	22,332,470	22,062,018	98.79%	N/A
2016	22,743,351	22,099,484	97.17%	N/A

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

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

YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	\$ 15,456,412	\$ 15,333,691	99.21%	N/A
2023	13,114,020	13,170,169	100.43%	N/A
2022	12,842,280	12,777,055	99.49%	\$ 64,425
2021	12,325,592	12,271,377	99.56%	47,086
2020	11,995,443	11,949,405	99.62%	31,078
2019	11,785,058	11,641,314	98.78%	N/A
2018	11,895,417	11,759,275	98.86%	N/A
2017	11,973,094	11,833,052	98.83%	N/A
2016	12,509,229	12,258,529	98.00%	N/A

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	\$ 96,146,456	\$ 95,677,583	99.51%	N/A
2023	95,425,008	95,590,592	100.17%	\$ 432,790
2022	88,683,577	87,987,100	99.21%	452,960
2021	84,729,738	84,020,433	99.16%	479,766
2020	80,369,339	80,084,736	99.65%	594,270
2019	80,673,439	79,938,886	99.09%	714,719
2018	77,420,815	76,685,625	99.05%	787,633
2017	77,264,635	76,713,403	99.29%	N/A
2016	77,331,817	76,585,103	99.03%	556,916
2015	76,436,267	74,569,931	97.56%	N/A

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

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A
2023	\$ 16,575,837	\$ 16,604,871	100.18%	N/A
2022	15,256,091	15,084,677	98.88%	\$ 69,924
2021	15,050,238	14,849,976	98.67%	48,118
2020	14,626,421	14,528,991	99.33%	190,361
2019	14,509,123	14,257,944	98.27%	141,156
2018	14,138,792	13,973,811	98.83%	N/A
2017	13,147,115	12,960,287	98.58%	N/A
2016	N/A	N/A	N/A	225,644

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	\$ 111,323,471	\$ 110,741,200	99.48%	N/A
2023	109,013,784	109,436,932	100.39%	\$ 446,824
2022	103,765,552	103,224,905	99.48%	489,750
2021	100,985,261	100,351,307	99.37%	553,562
2020	99,179,432	99,195,712	100.02%	515,244
2019	97,395,285	96,789,263	99.38%	85,883
2018	95,760,140	95,157,177	99.37%	266,613
2017	92,715,159	91,976,721	99.20%	233,146
2016	90,747,342	89,902,074	99.07%	N/A

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

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A
2023	\$ 20,556,669	\$ 19,987,320	97.23%	N/A
2022	19,739,031	19,138,830	96.96%	\$ 136,941
2021	17,891,019	17,787,104	99.42%	95,422
2020	17,086,731	16,951,067	99.21%	N/A
2019	16,904,326	16,779,310	99.26%	N/A
2018	16,308,619	16,130,081	98.91%	N/A
2017	16,397,493	16,233,244	99.00%	N/A
2016	15,808,132	15,649,897	99.00%	N/A
2015	15,041,725	14,852,747	98.74%	N/A

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

EXHIBIT J-10

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2025	\$ -	\$ -	\$ -	N/A	N/A
2024	-	-	-	N/A	N/A
2023	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2019	-	268,011	268,011	7.64	
2018	-	606,881	606,881	N/A	17.30
2017	-	958,324	958,324	0.0070%	27.61
2016	1,520,000	1,253,258	2,773,258	0.1669%	80.32

EXHIBIT J-11

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES				
2025	\$ -	\$ -	\$ -	N/A	N/A	N/A
2024	-	-	-	N/A	N/A	N/A
2023	-	-	-	N/A	N/A	N/A
2022	-	-	-	N/A	N/A	N/A
2021	-	-	-	N/A	N/A	N/A
2020	-	-	-	N/A	N/A	N/A
2019	-	268,011	-	0.0013%	7.64	
2018	-	606,881	-	0.0031%	17.30	
2017	-	958,324	-	0.0050%	27.61	
2016	-	958,324	-	0.0146%	80.32	

EXHIBIT J-12

**SOUTHERN REGIONAL SCHOOL DISTRICT
 RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 6/30/2025**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Barnegat Light	\$ 697,105	100.00%	\$ 697,105
Beach Haven	15,562,786	100.00%	15,562,786
Beach Haven School District	-	100.00%	
Harvey Cedars	1,515,047	100.00%	1,515,047
Long Beach Township	29,557,549	100.00%	29,557,549
Long Beach Island Consolidated School District	-	100.00%	
Borough of Ship Bottom	15,164,607	100.00%	15,164,607
Stafford Township	91,571,267	100.00%	91,571,267
Stafford Township School District	83,255,650	100.00%	83,255,650
Surf City	4,307,212	100.00%	4,307,212
Ocean County General Obligation Debt	551,161,252	21.23%	117,011,534
Subtotal, Overlapping Debt			358,642,757
Southern Regional School District Direct Debt	-	100.00%	-
Total Direct & Overlapping Debt			<u>\$ 358,642,757</u>

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

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$1,379,634,598	\$1,216,224,189	\$1,062,169,763	\$945,444,523	\$889,675,774	\$843,670,544	\$794,162,466	\$751,746,477	\$713,798,531	\$698,284,296
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	1,520,000	4,346,761
Legal Debt Margin	<u>\$1,379,634,598</u>	<u>\$1,216,224,189</u>	<u>\$1,062,169,763</u>	<u>\$945,444,523</u>	<u>\$889,675,774</u>	<u>\$843,670,544</u>	<u>\$794,162,466</u>	<u>\$751,746,477</u>	<u>\$712,278,531</u>	<u>\$693,937,535</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.21%	0.62%
Legal Debt Margin Calculation for Fiscal Year 2024										
Equalized Valuation Basis										
2025						\$37,708,104,654				
2024						\$35,049,860,266				
2023						\$30,714,629,933				
						\$103,472,594,853				
Average Equalized Valuation of Taxable Property										
Debt Limit (4% of Average Equalization Value)						<u>\$34,490,864,951</u>				
Net Bonded School Debt										
Legal Debt Margin										
Source:	Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation									

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

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
BARNEGAT LIGHT BOROUGH				
2025	N/A	N/A	N/A	N/A
2024	641	N/A	N/A	9.0%
2023	652	\$ 40,551,140	\$ 62,195	7.2%
2022	654	38,417,268	58,742	6.0%
2021	653	38,792,771	59,407	9.5%
2020	588	33,162,024	56,398	7.9%
2019	585	30,835,350	52,710	6.8%
2018	584	29,027,720	49,705	5.7%
2017	582	28,213,032	48,476	8.3%
2016	578	27,229,580	47,110	10.9%
BEACH HAVEN BOROUGH				
2025	N/A	N/A	N/A	N/A
2024	1,069	N/A	N/A	5.9%
2023	1,069	\$ 66,486,455	\$ 62,195	5.9%
2022	1,065	62,560,230	58,742	5.0%
2021	1,057	62,793,199	59,407	7.3%
2020	1,216	68,579,968	56,398	9.7%
2019	1,202	63,357,420	52,710	4.3%
2018	1,192	59,248,360	49,705	5.8%
2017	1,178	57,104,728	48,476	6.7%
2016	1,172	55,212,920	47,110	8.4%
HARVEY CEDARS BOROUGH				
2025	N/A	N/A	N/A	N/A
2024	402	N/A	N/A	4.3%
2023	397	\$ 24,691,415	\$ 62,195	4.3%
2022	401	23,555,542	58,742	3.1%
2021	402	23,881,614	59,407	3.3%
2020	348	19,626,504	56,398	5.4%
2019	345	18,184,950	52,710	3.2%
2018	341	16,949,405	49,705	5.2%
2017	341	16,530,316	48,476	5.3%
2016	340	16,017,400	47,110	5.3%
LONG BEACH TOWNSHIP				
2025	N/A	N/A	N/A	N/A
2024	3,157	N/A	N/A	4.8%
2023	3,145	\$ 195,603,275	\$ 62,195	5.2%
2022	3,143	184,626,106	58,742	5.0%
2021	3,143	186,716,201	59,407	7.1%
2020	3,073	173,311,054	56,398	9.6%
2019	3,076	162,135,960	52,710	4.1%
2018	3,068	152,494,940	49,705	5.0%
2017	3,054	148,045,704	48,476	6.2%
2016	3,044	143,402,840	47,110	6.6%

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

YEAR	POPULATION	PERSONAL INCOME*	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
SHIP BOTTOM BOROUGH				
2025	N/A	N/A	N/A	N/A
2024	1,125	N/A	N/A	5.3%
2023	1,114	\$ 69,285,230	\$ 62,195	5.2%
2022	1,115	65,497,330	58,742	4.2%
2021	1,114	66,179,398	59,407	10.5%
2020	1,168	65,872,864	56,398	10.2%
2019	1,156	60,932,760	52,710	5.2%
2018	1,149	57,111,045	49,705	5.5%
2017	1,141	55,311,116	48,476	7.2%
2016	1,140	53,705,400	47,110	7.5%
STAFFORD TOWNSHIP				
2025	N/A	N/A	N/A	N/A
2024	30,585	N/A	N/A	4.0%
2023	30,261	\$ 1,882,082,895	\$ 62,195	3.9%
2022	29,881	1,755,269,702	58,742	3.7%
2021	29,498	1,752,387,686	59,407	5.9%
2020	28,532	1,609,147,736	56,398	8.5%
2019	27,862	1,468,606,020	52,710	3.4%
2018	27,588	1,371,261,540	49,705	3.9%
2017	27,283	1,322,570,708	48,476	4.5%
2016	27,109	1,277,104,990	47,110	4.9%
SURF CITY BOROUGH				
2025	N/A	N/A	N/A	N/A
2024	1,298	N/A	N/A	4.7%
2023	1,288	\$ 80,107,160	\$ 62,195	4.7%
2022	1,282	75,307,244	58,742	4.2%
2021	1,275	75,743,925	59,407	7.2%
2020	1,205	67,959,590	56,398	8.4%
2019	1,197	63,093,870	52,710	5.2%
2018	1,190	59,148,950	49,705	5.1%
2017	1,180	57,201,680	48,476	5.8%
2016	1,174	55,307,140	47,110	6.5%

2016-2025 - Data by County and State

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

NOT AVAILABLE

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

Function/Program	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	179	181	181	180	180	180	180	175	175	178
Special Education	99	99	100	100	94	94	91	81	68	70
Support Services:										
Student & Instruction Related Services	64	64	64	64	73	73	73	68	49	51
School Administrative Services	17	17	17	17	17	17	17	22	29	29
General & Business Administrative Services	7	7	7	7	7	7	7	8	12	12
Plant Operations & Maintenance	44	45	45	45	45	45	45	46	41	41
Pupil Transportation	68	68	68	62	62	62	62	61	64	64
Business & Other Support Services	8	8	8	9	9	9	8	8	8	8
Total	486	489	490	485	487	487	490	473	446	453

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT (a)	OPERATING EXPENDITURES			PERCENTAGE PUPIL CHANGE	TEACHING STAFF (b)	MIDDLE SCHOOL	HIGH SCHOOL	DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ATTENDANCE	STUDENT ATTENDANCE ENROLLMENT PERCENTAGE
		COST	PERCENTAGE TEACHING STAFF	AVERAGE DAILY ENROLLMENT (ADE) (c)								
2024	2,642	\$ 76,756,479	\$ 29,052	9.06%	229	N/A	2,626	2,457	-1.46%	93.56%		
2024	2,682	71,445,801	26,639	3.02%	229	12:1	2,665	2,490	-1.26%	93.43%		
2023	2,758	71,316,651	25,858	7.16%	232	12:1	2,699	2,490	-3.43%	92.26%		
2022	2,811	67,820,783	24,131	8.76%	232	11:1	2,795	2,580	-1.17%	92.31%		
2021	2,850	63,233,896	22,187	3.56%	235	12:1	2,828	2,598	-0.32%	91.87%		
2020	2,855	61,166,503	21,424	0.75%	235	12:1	2,837	2,717	-0.25%	95.77%		
2019	2,857	60,750,905	21,264	-4.14%	229	12:1	2,844	2,662	-0.11%	93.60%		
2018	2,838	62,952,924	22,182	7.19%	229	13:1	2,847	2,669	0.14%	93.75%		
2017	2,872	59,433,481	20,694	3.64%	229	13:1	2,843	2,671	-0.66%	93.95%		
2016	2,877	57,443,985	19,967	7.61%	229	11:1	2,862	2,695	-2.09%	94.16%		

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

SOUTHERN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR

DISTRICT BUILDINGS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Middle School (1971, 86):										
Square Feet	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703	119,703
Capacity (Students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	863	858	903	882	903	932	939	948	948	939
Junior High School: (1950, 56, 65):										
Square Feet	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811	188,811
Capacity (Students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	875	900	941	924	970	980	980	1,000	1,000	1,000
Senior High School: (1997, 98):										
Square Feet	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295	123,295
Capacity (Students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	888	906	854	989	956	925	926	899	899	905
Other Buildings:										
Administration Building (1993):										
Square Feet	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475	11,475
Transportation/Maintenance (1996):										
Square Feet	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260	7,260
Bus Garage (1965):										
Square Feet	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Technology Building (1965):										
Square Feet	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664	1,664
Maintenance Building (1965, 80):										
Square Feet	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470
Facilities Office (1975):										
Square Feet	648	648	648	648	648	648	648	648	648	648

Number of Schools at June 30, 2025:

Middle School = 1

Junior High School = 1

Senior High School = 1

Other = 5

SOURCE District Facilities Office

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

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

* School Facilities Project Numbers	MIDDLE SCHOOL		HIGH SCHOOL	ADULT SCHOOL	TOTAL
	4950-060-04-1000				
2025	\$ 815,758	\$ 1,631,516	\$ -	\$ 2,447,274	
2024	827,562	1,655,125	-	2,482,687	
2023	739,938	1,479,876	-	2,219,814	
2022	666,356	1,352,904	-	2,019,260	
2021	711,328	1,422,655	-	2,133,983	
2020	709,759	1,441,025	-	2,150,784	
2019	1,676,805	718,631	-	2,395,436	
2018	559,906	1,446,447	-	2,006,353	
2017	553,360	1,296,725	-	1,850,085	
2016	425,078	996,302	-	1,421,380	

INSURANCE SCHEDULE
June 2025

	COVERAGE	DEDUCTIBLE
School Package Policy (School Alliance Insurance Fund):		
Property - Blanket Buildings and Contents	\$ 500,000,000	\$ 2,500
General Liability	250,000,000	2,500
Flood Insurance Coverage	10,000,000	-
Earthquake Coverage	25,000,000	-
Pollution Coverage	1,000,000	-
Umbrella Liability	10,000,000	
School Leaders Liability	15,000,000	10,000

Source: District records

SINGLE AUDIT SECTION



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Southern Regional School District
County Of Ocean
Manahawkin, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Southern Regional School District (the "School District"), in the County Of Ocean, State of New Jersey 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 January 8, 2026.

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

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

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

Medford, New Jersey
January 8, 2026



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Southern Regional School District
County of Ocean
Manahawkin, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Southern Regional 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.

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 States 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

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

Medford, New Jersey
January 8, 2026

SOUTHERN 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	ADJUSTMENTS	BALANCE, JUNE 30, 2025	
										(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF AGRICULTURE:											
Child Nutrition Cluster:											
School Breakfast Program	10.553	251NJ304N1099	100-010-3350-028	41,835	7/1/24-6/30/25	\$ (658)	\$ 40,138	(41,835)	\$ -	\$ (1,697)	\$ -
School Breakfast Program	10.553	241NJ304N1099	100-010-3350-028	38,182	7/1/23-6/30/24	-	658	-	-	-	-
National School Lunch Program	10.555	251NJ304N1099	100-010-3350-026	336,248	7/1/24-6/30/25	-	324,921	(336,248)	-	(11,327)	-
National School Lunch Program	10.555	241NJ304N1099	100-010-3350-026	268,889	7/1/23-6/30/24	(4,511)	4,511	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	251NJ304N1099	Unavailable	69,129	7/1/24-6/30/25	69,129	(67,299)	(3,432)	-	-	1,830
Food Distribution Program (Noncash Assistance)	10.555	241NJ304N1099	Unavailable	77,570	7/1/23-6/30/24	3,432	-	-	-	-	-
Total Child Nutrition Cluster						(1,737)	439,357	(448,814)	-	(13,024)	-
Summer Electronic Benefit Transfer Program	10.646	251NJ3041803	100-010-3370-003	321	07/01/24-6/30/25	-	321	(321)	-	-	-
Subtotal						-	321	(321)	-	-	-
Local Food for Schools Cooperative Agreement Program	10.185	Unavailable	100-010-3350-123	4,851	07/01/24-6/30/25	(783)	5,274	(4,851)	10	(350)	-
Subtotal						(783)	5,274	(4,851)	10	(350)	-
Total Enterprise Fund						(2,520)	444,952	(453,986)	10	(13,374)	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH STATE DEPARTMENT OF HUMAN SERVICES:											
General Fund:											
Medical Assistance Program (Semi)	93.778	2505NJMAP	100-054-7540-211	21,180	7/1/24-6/30/25	-	21,180	(21,180)	-	-	-
Total General Fund						-	21,180	(21,180)	-	-	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Special Revenue Fund:											
Title I - Part A	84.010	S010A240030	100-034-5064-194	369,809	7/1/24-9/30/25	(131,258)	206,294	(328,210)	-	(121,916)	-
Title I - Part A	84.010	S010A230030	100-034-5064-194	409,555	7/1/23-9/30/24	(131,258)	131,258	(328,210)	-	(121,916)	-
Subtotal						(131,258)	337,552	(328,210)	-	(121,916)	-
Title II - Part A	84.367	S367A240029	100-034-5063-290	41,454	7/1/24-9/30/25	(37,389)	36,798	(37,955)	591	(37,955)	-
Title II - Part A	84.367	S367A230029	100-034-5063-290	48,514	7/1/23-9/30/24	(37,389)	36,798	(37,955)	591	(37,955)	-
Subtotal						(37,389)	36,798	(37,955)	591	(37,955)	-
Title III	84.365A	S365A240030	100-034-5064-187	1,252	7/1/24-9/30/25	-	-	-	-	-	-
Subtotal						-	-	-	-	-	-
Title IV	84.424	S424A240031	100-034-5069-031	28,796	7/1/24-9/30/25	(8,742)	21,107	(22,987)	-	(1,790)	-
Title IV	84.424	S424A230031	100-034-5069-031	32,425	7/1/23-9/30/24	(8,742)	8,742	(22,987)	-	(1,790)	-
Subtotal						(8,742)	29,849	(22,987)	-	(1,790)	-
Education Stabilization Fund:											
COVID-19 ARP ESSER III	84.425U	S425U210027	100-034-5120-523	3,103,641	3/13/20-9/30/24	(24,582)	109,727	(93,011)	7,866	-	-
COVID-19 ARP ESSER III - Mental Health	84.425U	S425U210027	100-034-5120-523	88,501	3/13/20-9/30/24	(29,195)	29,195	(93,011)	7,866	-	-
Subtotal						(53,777)	138,922	(93,011)	7,866	-	-
Total Education Stabilization Fund:											
Special Education Cluster:											
I.D.E.A. Part B, Basic Regular	84.027A	H027A240100	100-034-5065-016	641,028	7/1/24-9/30/25	(160,087)	490,770	(635,089)	-	(144,319)	-
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	100-034-5065-016	647,197	7/1/23-9/30/24	(160,087)	650,857	(635,089)	-	(144,319)	-
Subtotal						(160,087)	650,857	(635,089)	-	(144,319)	-
Total Special Education Cluster											
Total Special Revenue Fund											
Total Federal Financial Assistance											

SOUTHERN REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE 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, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2025			CUMULATIVE TOTAL EXPENDITURES	MEMO
								ACCOUNTS RECEIVABLE	UNPAID REVENUE	DU TO GRANTOR		
State Department of Education:												
General Fund:												
State Aid Public:												
Special Education Categorical Aid	495-034-5120-089	2,560,826	7/1/24-6/30/25	\$ -	\$ 2,560,826	\$ (2,560,826)	\$ -	\$ -	\$ -	\$ (250,843)	\$ 2,560,826	
Security Aid	495-034-5120-084	306,056	7/1/24-6/30/25	\$ -	\$ 306,056	\$ (306,056)	\$ -	\$ -	\$ -	\$ (29,979)	\$ 306,056	
Total State Aid Public												
Transportation Aid	495-034-5120-014	1,367,568	7/1/23-6/30/24	\$ -	\$ 1,367,568	\$ (1,367,568)	\$ -	\$ -	\$ -	\$ (133,958)	\$ 1,367,568	
Additional Nonpublic Transportation Aid	495-034-5120-014	14,010	7/1/24-6/30/25	\$ -	\$ 15,015	\$ (14,010)	\$ -	\$ -	\$ -	\$ -	\$ 14,010	
Additional Nonpublic Transportation Aid	495-034-5120-014	15,015	7/1/23-6/30/24	\$ (15,015)	\$ -	\$ (91,594)	\$ -	\$ -	\$ -	\$ -	\$ 91,594	
Extraordinary Aid	495-034-5120-044	910,594	7/1/24-6/30/25	\$ (801,186)	\$ 801,186	\$ 1,805,892	\$ (1900,333)	\$ -	\$ -	\$ -	\$ 1900,333	
Extraordinary Aid	495-034-5120-044	923,766	7/1/23-6/30/24	\$ (92,840)	\$ 92,840	\$ -	\$ (94,441)	\$ -	\$ -	\$ -	\$ -	
Reimbursed TPAF Social Security	495-034-5094-003	1,900,333	7/1/24-6/30/25	\$ (92,840)	\$ 2,647	\$ 2,647	\$ (2,647)	\$ -	\$ -	\$ -	\$ 2,647	
Reimbursed TPAF Social Security	495-034-5094-003	1,865,785	7/1/23-6/30/24	\$ (92,840)	\$ 2,647	\$ 2,647	\$ (2,647)	\$ -	\$ -	\$ -	\$ 2,647	
Noncash Assistance:												
TPAF - Post Retirement Medical	495-034-5094-001	2,602,374	7/1/24-6/30/25	\$ -	\$ 2,602,374	\$ (2,602,374)	\$ -	\$ -	\$ -	\$ -	\$ 2,602,374	
TPAF - Pension Contributions	495-034-5094-002	8,906,117	7/1/24-6/30/25	\$ -	\$ 8,906,117	\$ (8,906,117)	\$ -	\$ -	\$ -	\$ -	\$ 8,906,117	
TPAF - Long-Term Disability Insurance	495-034-5094-004	2,647	7/1/24-6/30/25	\$ -	\$ 2,647	\$ (2,647)	\$ -	\$ -	\$ -	\$ -	\$ 2,647	
Total General Fund Assistance												
Special Revenue Fund:												
Passed-State Department of Education:												
N.J. Nonpublic Aid:	100-034-5120-067	1,739	7/1/24-6/30/25	\$ -	\$ 1,739	\$ (1,405)	\$ -	\$ -	\$ -	\$ 334	\$ -	
Textbook Aid	100-034-5120-067	1,677	7/1/23-6/30/24	\$ 205	\$ -	\$ (205)	\$ -	\$ -	\$ -	\$ 3	\$ -	
Textbook Aid	100-034-5120-070	4,420	7/1/24-6/30/25	\$ 4,420	\$ (4,417)	\$ (28)	\$ -	\$ -	\$ -	\$ 294	\$ -	
Nursing Services	100-034-5120-070	3,480	7/1/23-6/30/24	\$ 28	\$ -	\$ (1,372)	\$ (564)	\$ -	\$ -	\$ -	\$ 1,372	
Technology	100-034-5120-373	1,666	7/1/24-6/30/25	\$ -	\$ 1,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Technology	100-034-5120-373	1,421	7/1/23-6/30/24	\$ 564	\$ -	\$ (10,404)	\$ -	\$ -	\$ -	\$ -	\$ 10,404	
Auxiliary Services (Ch. 192):	100-034-5120-067	10,404	7/1/24-6/30/25	\$ -	\$ 10,404	\$ (10,404)	\$ -	\$ -	\$ -	\$ -	\$ -	
Compensatory Education	100-034-5120-066	1,860	7/1/24-6/30/25	\$ -	\$ 1,860	\$ (986)	\$ -	\$ -	\$ -	\$ 874	\$ -	
Handicapped Services (Ch. 193):	100-034-5120-066	1,860	7/1/23-6/30/24	\$ 874	\$ -	\$ (874)	\$ -	\$ -	\$ -	\$ -	\$ 874	
Corrective Speech	100-034-5120-066	1,860	7/1/24-6/30/24	\$ 874	\$ -	\$ (3,861)	\$ -	\$ -	\$ -	\$ -	\$ -	
Examination & Classification	100-034-5120-066	4,932	7/1/23-6/30/24	\$ -	\$ 4,932	\$ (1,072)	\$ -	\$ -	\$ -	\$ 1,071	\$ -	
Examination & Classification	100-034-5120-066	5,498	7/1/24-6/30/25	\$ 1,072	\$ -	\$ (4,956)	\$ (1,553)	\$ -	\$ -	\$ 777	\$ -	
Supplementary Instruction	100-034-5120-066	4,956	7/1/23-6/30/24	\$ 1,553	\$ -	\$ (1,553)	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplementary Instruction	100-034-5120-066	4,956	7/1/24-6/30/25	\$ 1,553	\$ -	\$ (1,553)	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal												
Capital Projects Fund:												
New Jersey School Development Authority:	4950-060-14-G22V	275,760	Until Complete	\$ (213,174)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (213,174)	\$ -	
Middle School Window Project	4950-050-14-001-G04	2,992,350	Until Complete	\$ (2,085,249)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,085,249)	\$ -	
Total Capital Projects Fund												
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	495-010-3350-001	14,805	7/1/24-6/30/25	\$ -	\$ 14,311	\$ (14,805)	\$ -	\$ -	\$ -	\$ (494)	\$ -	
National School Breakfast Program	495-010-3350-001	15,376	7/1/23-6/30/24	\$ (248)	\$ 248	\$ (86)	\$ -	\$ -	\$ -	\$ (28)	\$ -	
National School Breakfast Program	495-010-3350-002	686	7/1/24-6/30/25	\$ 686	\$ -	\$ (686)	\$ -	\$ -	\$ -	\$ -	\$ -	
Working Class Families State Suplement - Lunch	495-010-3350-006	873	7/1/23-6/30/24	\$ (14)	\$ 14	\$ (15,952)	\$ -	\$ -	\$ -	\$ (598)	\$ -	
Working Class Families State Suplement - Lunch	495-010-3350-006	9,610	7/1/23-6/30/24	\$ (143)	\$ 143	\$ (1,889)	\$ -	\$ -	\$ -	\$ (73)	\$ -	
Working Class Families State Suplement - Breakfast	495-010-3350-006	1,889	7/1/24-6/30/25	\$ (34)	\$ 34	\$ (321)	\$ (321)	\$ -	\$ -	\$ -	\$ -	
Summer Electronic Benefit Transfer Program	100-010-3370-003	2,037	7/1/23-6/30/24	\$ (321)	\$ 321	\$ (321)	\$ (321)	\$ -	\$ -	\$ -	\$ -	
Total Enterprise Fund Assistance												
Grand Total State Financial Assistance												
Less: State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	2,802,374	7/1/24-6/30/25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,805	
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	8,906,117	7/1/24-6/30/25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 686	
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	2,647	7/1/24-6/30/25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,952	
Total State Financial Assistance subject to Major Program Determination												
The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.												

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

Note 2. Summary of Significant Accounting Policies

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

The School District did not elect the 15-percent *de minimis* indirect cost rate as discussed in 2 CFR 200.414.

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

SOUTHERN REGIONAL 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 \$(36,124) for the general fund and \$94,853 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 21,180	\$ 18,534,401	\$ 18,555,581
Special Revenue Fund	1,212,015	26,624	1,238,639
Food Service Fund	453,986	33,653	487,639
Total Awards & Financial Assistance	<u>\$ 1,687,181</u>	<u>\$ 18,594,678</u>	<u>\$ 20,281,859</u>

Note 4. Relationship to Federal and State Financial Reports

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

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

Note 5. Federal and State Loans Outstanding

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

Note 6. Grant Adjustments

The Schedule of Expenditures of Federal Financial Assistance required an adjustment during the fiscal year to cancel uncollectible balances for the Local Food for Schools Cooperative Program and ARP ESSER grants in the amount of \$10 and \$7,866 respectively.

SOUTHERN REGIONAL 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	<hr/> Unmodified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<hr/> 84.027A	<hr/> H027A230100	<hr/> I.D.E.A. Part B, Basic Regular

Dollar threshold used to determine Type A programs	<hr/> \$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**SOUTHERN REGIONAL 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?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Internal control over major programs:	
1) Material weakness(es) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-084	State Aid - Public:
495-034-5120-089	Categorical Security Aid
	Categorical Special Education Aid

EXHIBIT K-6

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

Section II – Financial Statement Findings – N/A

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.

EXHIBIT K-6

SOUTHERN REGIONAL 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 Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – N/A

EXHIBIT K-7

**SOUTHERN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
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 Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings- N/A

Federal Awards- N/A

State Financial Assistance – N/A