

**SCHOOL DISTRICT
OF**

**DELRAN
TOWNSHIP**

**Delran Township Board of Education
Delran, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

Delran Township Board of Education

Delran, New Jersey

For the Fiscal Year Ended June 30, 2019

**Prepared by
Delran Township Board of Education
Finance Department**

DELRAN TOWNSHIP SCHOOL DISTRICT

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Introductory Section

DELRAN TOWNSHIP BOARD OF EDUCATION
52 Hartford Road
Delran, New Jersey 08075

Dr. Brian Brotschul, Superintendent
Mrs. Cande Kristoff, Business Administrator/Board Secretary
Dr. Lisa Della Vecchia, Director of Student Services
Mrs. Christine DeSimone, Director of Curriculum & Instruction

November 20, 2019

Honorable President and
Members of the Board of Education
Delran Township School District
Delran, NJ 08075

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Delran Township School District for the fiscal year ended June 30, 2019 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of federal regulations, cost principals, and audit requirements for federal award (uniform guidance); and the State of New Jersey Circular OMB15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Delran School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Delran Public Schools and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular vocational as well as special education or handicapped youngsters. The District completed the 18-19 fiscal year with an average daily enrollment of 2,961 students, which is 15 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last 10 years.

Average Daily Enrollment			
Fiscal Year		Student Enrollment	Percent Change
2018-2019		2961	0.50%
2017-2018		2,946	-1.21%
2016-2017		2,982	-1.26%
2015-2016		3,020	1.38%
2014-2015		2,979	0.78%
2013-2014		2,956	4.16%
2012-2013		2,838	-4.86%
2011-2012		2,983	2.37%
2010-2011		2,914	-0.72%
2009-2010		2,935	1.52%

2) ECONOMIC CONDITION AND OUTLOOK:

There has been as noticeable residential growth in the area of Hartford Road and Creek Road with two parallel developments. Additionally, commercial growth has been seen between Fairview Avenue and Chester Avenue, resulting in three new businesses in a formerly vacant building. Enrollment increased by 6 students after a decrease of 36 students.

There are two properties scheduled to be developed, with an unknown timeline: formerly Stellwags Farms and formerly Willowbrook Country Club. The former is entirely a Delran property with the latter being a property in both Delran and neighboring Moorestown. There has been litigation at the municipal level with respect to affordable housing. That has led to discussion regarding a property along Chester Avenue and potential high density housing. Those discussions have yet to materialize in formal approvals.

3) MAJOR INITIATIVES:

The district is heavily engaged in activities related to Science, Technology, Engineering and Math (STEM). The district has developed an “ecosystem” and is funded in part by the Overdeck Family Foundation for technical assistance in this area. We have partnered with a dozen local and semi-local organizations in this area and are aggressively pursuing the development of formalized programs.

To support this work, a pole barn was erected and completed at the support services property along Hartford Road. Additionally, the district engaged with its architect to develop a digital fabrication laboratory at the high school site. That project was completed in June, 2018.

A parallel capital project is planned to modernize the woodshop at Delran High School and join the digital fabrication laboratory and woodshop into one unified space through the use of capital reserve funds in the FY20 budget. That work begins in January, 2020.

The district is engaged in an examination of the curriculum program in all areas of STEM, robotics and sustainability. This has resulted in continued professional development opportunities that have been funded by the Board and grant sources. The district has also increased its programs in the arts, as well. Currently we have expanded the offerings at the intermediate school, funding after school club, which is in addition to the programs at the 6-12 level.

The district continues to fund sustainability project managers at each school as well as robotics and engineering coaches. These initiatives are also coupled with the influx of a new mandated curricula in the area of science, called Next Generation Science Standards.

In the area of professional staff evaluation, the continues to implement the Marshall Evaluation Rubric.

In literacy, the district continues to implement the Readers Workshop model from Teachers’ College at the K-8 level. The district has supported professional development, curricula drafting and the funding of a literacy coach in order to see this work through.

As our English language learner and special education populations have increased, we have continued to implement programs that incorporate assistive technology as well as Universally Designed Differentiated Instructional practices in order to support our most at risk learners. This has allowed us to aggressively pursue opportunities for Least Restrictive Environments for special education students. Additionally, there is considerable focus on special education programs at the high school level and programs for special education students until the age of 21.

The district continues to implement Positive Behavior Supports in Schools for all students, with a particular focus on students who require additional behavioral supports.

The district continues to engage with the community in a host of ways. The Delran Education Foundation was established by local residents and has funded several thousand dollars' worth of education programming in the area of STEM. The district is establishing parent feedback protocols for each school, as well as the district level in order to assess our progress and development of our mission for a five year plan.

In the area of business and operations, the district focused on executing a successful pole barn project, planning for a digital fabrication laboratory and will engage with both labor groups in advance of approving successor agreements to contracts for both labor groups.

4) INTERNAL ACCOUNTING CONTROLS: Management of the 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 or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statement in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance that recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that 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 evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal 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.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

organized on the basis of funds and account groups. These funds and account groups are explained "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Note 2. The District has adopted a cash management plan which 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 a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Inverso and Stewart, LLC, performs the annual statutory audit of the Delran Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance); and State of New Jersey Circular OMB15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the staff of the Delran Public Schools for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the support staff employed in the Business Office.

Respectfully submitted,

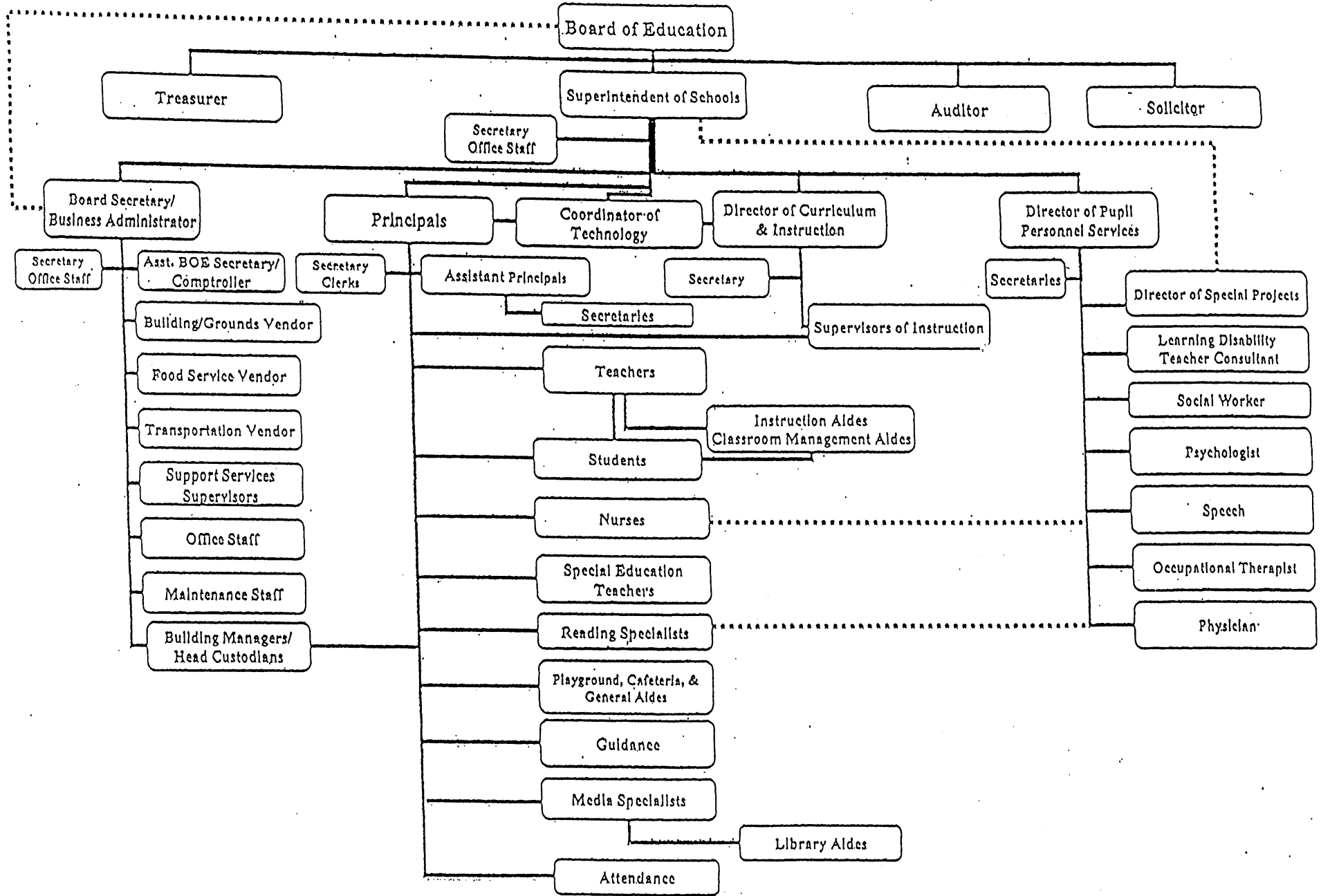


Brian Brotschul, Ed. D.
Superintendent



Cande Kristoff
Board Secretary/Business Administrator

DELRAN BOARD OF EDUCATION
Organizational Chart



**DELRAN BOARD OF EDUCATION
DELRAN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Glenn Kitley, President	2019
Joseph Biluck, Jr., Vice-President	2020
Mark Chierici	2019
Dawn Flanagan	2019
Mary Melvin	2020
Mark Oberg	2021
Amy Rafanello	2021
Colin Rafferty	2021
Eileen Wachter	2020

Other Officials

Dr. Brian Brotschul, Superintendent
Robert Delengowski, Interim Board Secretary
& School Business Administrator
Dorothea Jones, Treasurer
Jonathan Busch, Solicitor

**DELRAN TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Busch Law Group
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Metuchen, NJ 08840

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

TD Bank
1050 South Chester Avenue
Delran, NJ 08075

Financial Section

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American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Delran Township School District
County of Burlington
Delran, New Jersey

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delran Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the 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 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, 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, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 20, 2019 on my consideration of the Delran Township School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delran Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 20, 2019

INVERSO & STEWART, LLC
Certified Public Accountants

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 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Delran Township School District
 County of Burlington
 Delran Township, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 20, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Delran Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Delran Township 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delran Township School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2019-001.

The Delran Township School District's Response to Findings

The Delran Township School District's response to the finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
November 20, 2019

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Delran Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

As management of the Board of Education of the Township of Delran, 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, 2019. 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.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$6,454,399 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$11,047,165. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$2,050,599 or an 46.56% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the results of operations in the General Fund and repayment of long-term debt obligations.
- Fund balance of the School District's governmental funds increased by \$544,111 resulting in an ending fund balance of \$5,815,483. The majority of the increase is attributable to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$568,549 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$3,389,574 which is the result of principal payments on debt obligations, the increase of compensated absences, the acquisition of a new capital lease and the decreases in net pension liability.

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) District-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.

District-wide Financial Statements

The *district-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 district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities 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 expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-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 all or 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 include the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-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 three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-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 financing 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 district-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 district-wide financial statements, only in more detail.

The School District's enterprise fund (Food Service Fund) is considered to be a major fund.

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

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2020. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2020.

The assets of the primary government activities exceeded liabilities by \$5,571,293 with an unrestricted deficit balance of \$11,047,165. The net position of the primary government does not include internal balances.

A net investment of \$10,530,730 in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,960 public school students. Net position of \$3,654,443 has been restricted to provide resources for future capital expansion and renovation projects while \$1,451,591 has been restricted for budget appropriation, \$859,884 is reserved for maintenance, \$6,571 is reserved for future debt service, and \$115,239 has been restricted for encumbrances.

As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

**Delran Township School District
Comparative Summary of Net Position
As of June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current assets	\$ 6,518,213	\$ 5,789,065	\$ 604,015	\$ 620,307	\$ 7,122,228	\$ 6,409,372
Capital assets	36,220,118	36,600,478	314,557	224,091	36,534,675	36,824,569
Total assets	42,738,331	42,389,543	918,572	844,398	43,656,903	43,233,941
Deferred Outflows of Resources						
	3,677,164	4,575,215			3,677,164	4,575,215
LIABILITIES						
Current liabilities	3,632,912	3,520,533	35,466	46,601	3,668,378	3,567,134
Noncurrent liabilities	34,088,307	37,420,642			34,088,307	37,420,642
Total Liabilities	37,721,219	40,941,175	35,466	46,601	37,756,685	40,987,776
Deferred Inflows of Resources						
	3,122,983	2,417,580			3,122,983	2,417,580
Net Position	\$ 5,571,293	\$ 3,606,003	\$ 883,106	\$ 797,797	\$ 6,454,399	\$ 4,403,800
Net Position Consists of:						
Net investment in						
Capital Assets	10,530,730	9,030,715	314,557	224,091	10,845,287	9,254,806
Restricted Assets	6,087,728	5,436,509			6,087,728	5,436,509
Unrestricted Assets	(11,047,165)	(10,861,221)	568,549	573,706	(10,478,616)	(10,287,515)
Net Position	\$ 5,571,293	\$ 3,606,003	\$ 883,106	\$ 797,797	\$ 6,454,399	\$ 4,403,800

Governmental Activities

Governmental activities increased the net position of the School District during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Long term debt decreased \$3,389,574.
- Capital assets had a net decrease of \$289,894.

Business-type Activities

Business-type activities increased the School District's net position slightly. Key elements of the increase in net position for business-type activities are as follows:

- The Food Services Fund had a net gain of \$85,309 for this fiscal year.

Delran Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Charges for services	\$ -	\$ -	\$ 760,328	\$ 755,057	\$ 760,328	\$ 755,057
Operating Grants and contributions	18,959,751	21,855,915	528,372	550,334	19,488,123	22,406,249
Property taxes	33,898,652	33,385,687			33,898,652	33,385,687
State aid - unrestricted	14,095,659	12,631,641			14,095,659	12,631,641
Tuition	60,249	39,298			60,249	39,298
Other revenues	420,955	179,654			420,955	179,654
Total Revenues	<u>67,435,266</u>	<u>68,092,195</u>	<u>1,288,700</u>	<u>1,305,391</u>	<u>68,723,966</u>	<u>69,397,586</u>
Expenses:						
Governmental Activities:						
Instruction	21,124,013	20,547,596			21,124,013	20,547,596
Tuition	2,690,482	2,485,134			2,690,482	2,485,134
Related Services	5,988,726	5,715,657			5,988,726	5,715,657
Administrative Services	2,811,114	2,704,548			2,811,114	2,704,548
Operations and Maintenance	4,904,280	4,128,216			4,904,280	4,128,216
Transportation	2,345,489	2,197,529			2,345,489	2,197,529
Employee benefits	24,849,063	27,578,154			24,849,063	27,578,154
Charter Schools	19,535	52,612			19,535	52,612
Interest on debt	699,256	754,274			699,256	754,274
Other	38,018	37,704			38,018	37,704
Business-Type Activities:						
Food Service			1,203,391	1,277,048	1,203,391	1,277,048
Total Expenses	<u>65,469,976</u>	<u>66,201,424</u>	<u>1,203,391</u>	<u>1,277,048</u>	<u>66,673,367</u>	<u>67,478,472</u>
Increase (Decrease) in Net Position before transfers	1,965,290	1,890,771	85,309	28,343	2,050,599	1,919,114
Transfers						
Change in Net Position	<u>1,965,290</u>	<u>1,890,771</u>	<u>85,309</u>	<u>28,343</u>	<u>2,050,599</u>	<u>1,919,114</u>
Net Position, July 1	3,606,003	1,715,232	797,797	769,454	4,403,800	2,484,686
Net Position, June 30	<u>\$ 5,571,293</u>	<u>\$ 3,606,003</u>	<u>\$ 883,106</u>	<u>\$ 797,797</u>	<u>\$ 6,454,399</u>	<u>\$ 4,403,800</u>

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$5,815,483 an increase of \$544,111 in comparison with the prior year. Most of this increase is the result of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of (\$272,245), \$506,102 for the Capital Projects Fund and \$4,080 for the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$3,148,341, 2) appropriated as a revenue source in the subsequent year's budget \$710,535, 3) reserved for excess surplus in accordance with state statute \$743,547, 4) reserved for encumbrances \$115,239, 5) or reserved for maintenance \$859,884.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the General Fund was \$1,050,499, while total fund balance (budgetary basis) was \$6,625,554. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$52,904,633. Unreserved fund balance (budgetary basis) represents 1.99% of expenditures while total fund balance (budgetary basis) represents 12.52% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$36,534,675 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$289,894, or a 0.79% decrease. The decrease is due to depreciation less current year additions.

Delran Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Construction in Progress	\$ 25,198,232	\$ 25,198,232	\$ -	\$ -	\$ 25,198,232	\$ 25,198,232
Building and Building Improvements	10,597,141	10,960,886			10,597,141	10,960,886
Equipment	424,745	441,360	314,557	224,091	739,302	665,451
Net Assets	<u>\$ 36,220,118</u>	<u>\$ 36,600,478</u>	<u>\$ 314,557</u>	<u>\$ 224,091</u>	<u>\$ 36,534,675</u>	<u>\$ 36,824,569</u>

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.

Long-term debt – During the fiscal year ended June 30, 2019, the School District had total bonded debt outstanding of \$22,135,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$4,155,674, \$974,695 in compensated absences, and \$8,211,625 in net pension liability.

General obligation bonds for the School District decreased during the current fiscal year according to the normal schedule of payments.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$61,676,451 and the available borrowing capacity was \$39,541,451.

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.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2019-20 fiscal year.

- For the 2019-20 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$640,977 or 2.00%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2019-20 General Fund Budget is \$1,541,207 greater than the previous year or a 3.15% increase. The district tax rate increased from \$2.383 in 2018 to \$2.422 in 2019.

For the Future

The Delran Township School District is in very good financial condition presently. However, a major concern is maintaining aging buildings of the district with an increased reliance on local property taxes as state aid has remained stagnant. Delran Township is primarily a residential community, with very few large ratables; thus the burden is focused on homeowners to share the tax burden.

In conclusion, the Delran Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Requests for Information

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 the Delran School District Business Administrator, 52 Hartford Rd., Delran, New Jersey, 08075.

Basic Financial Statements

District-Wide Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 840,849	\$ 557,001	\$ 1,397,850
Receivables, net	1,669,139	28,455	1,697,594
Inventory		18,559	18,559
Restricted assets:			
Restricted cash and cash equivalents	4,008,225		4,008,225
Capital assets, net (Note 5)	36,220,118	314,557	36,534,675
Total assets	<u>42,738,331</u>	<u>918,572</u>	<u>43,656,903</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on Defeasance	1,429,376		1,429,376
Deferred outflows of resources from pensions	2,247,788		2,247,788
Total Deferred outflows of resources	<u>3,677,164</u>	<u>-</u>	<u>3,677,164</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>46,415,495</u>	<u>918,572</u>	<u>47,334,067</u>
LIABILITIES:			
Accounts payable			
Related to pensions	406,004		406,004
Other	405,496	13,171	418,667
Payable to state government	147,317		147,317
Unearned revenue	149,917	22,295	172,212
Accrued interest	307,401		307,401
Noncurrent liabilities:			
Due within one year	2,216,777		2,216,777
Due beyond one year	34,088,307		34,088,307
Total liabilities	<u>37,721,219</u>	<u>35,466</u>	<u>37,756,685</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	3,122,983		3,122,983
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>40,844,202</u>	<u>35,466</u>	<u>40,879,668</u>
NET POSITION:			
Net investment in capital assets	10,530,730	314,557	10,845,287
Restricted for:			
Debt Service Fund	6,571		6,571
Capital Projects	3,654,443		3,654,443
Other purposes	2,426,714		2,426,714
Unrestricted	(11,047,165)	568,549	(10,478,616)
Total Net Position	<u>\$ 5,571,293</u>	<u>\$ 883,106</u>	<u>\$ 6,454,399</u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 14,812,158	\$ -	\$ 479,259	\$ (14,332,899)	\$ -	\$ (14,332,899)
Special education	4,810,935		617,991	(4,192,944)		(4,192,944)
Other instruction	1,500,920			(1,500,920)		(1,500,920)
Support Services:						
Tuition	2,690,482			(2,690,482)		(2,690,482)
Student & instruction related services	5,988,726		486,742	(5,501,984)		(5,501,984)
General administrative services	702,866			(702,866)		(702,866)
School administrative services	1,538,027			(1,538,027)		(1,538,027)
Central services	570,221			(570,221)		(570,221)
Plant operations and maintenance	4,904,280		36,369	(4,867,911)		(4,867,911)
Pupil transportation	2,345,489			(2,345,489)		(2,345,489)
Employee benefits	24,849,063		16,957,854	(7,891,209)		(7,891,209)
Charter school	19,535			(19,535)		(19,535)
Interest on long-term debt	699,256		381,536	(317,720)		(317,720)
Unallocated depreciation and amortization	38,018			(38,018)		(38,018)
Total governmental activities	<u>65,469,976</u>		<u>18,959,751</u>	<u>(46,510,225)</u>		<u>(46,510,225)</u>
Business-type activities:						
Food Service	1,203,391	760,328	528,372		85,309	85,309
Total business-type activities	<u>1,203,391</u>	<u>760,328</u>	<u>528,372</u>		<u>85,309</u>	<u>85,309</u>
Total primary government	<u>\$ 66,673,367</u>	<u>\$ 760,328</u>	<u>\$ 19,488,123</u>	<u>\$ (46,510,225)</u>	<u>\$ 85,309</u>	<u>\$ (46,424,916)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				32,048,864		32,048,864
Taxes levied for debt service				1,849,788		1,849,788
Federal and state aid not restricted				14,095,659		14,095,659
Tuition Revenue				60,249		60,249
Miscellaneous income				420,955		420,955
Total general revenues, special items, extraordinary items and transfers				<u>48,475,515</u>	<u>-</u>	<u>48,475,515</u>
Change in Net Position				1,965,290	85,309	2,050,599
Net Position--July 1				3,606,003	797,797	4,403,800
Net Position--June 30				<u>\$ 5,571,293</u>	<u>\$ 883,106</u>	<u>\$ 6,454,399</u>

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

Fund Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 411,401	\$ -	\$ 429,448	\$ -	\$ 840,849
Receivables, net	499,471	867,217	302,451		1,669,139
Interfund receivables, net	561,316		45,865	6,571	613,752
Restricted cash and cash equivalents	<u>4,008,225</u>				<u>4,008,225</u>
Total assets	<u>5,480,413</u>	<u>867,217</u>	<u>777,764</u>	<u>6,571</u>	<u>7,131,965</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	66,463	286,369			352,832
Intergovernmental payable:					
State		147,317			147,317
Interfund payables	99,190	295,564	271,662		666,416
Unearned revenues	<u>11,950</u>	<u>137,967</u>			<u>149,917</u>
Total liabilities	<u>177,603</u>	<u>867,217</u>	<u>271,662</u>		<u>1,316,482</u>
 Fund Balances:					
Restricted for:					
Excess surplus	743,547				743,547
Excess surplus - designated for subsequent year's expenditures	666,336				666,336
Maintenance reserve	859,884				859,884
Capital reserve	3,148,341				3,148,341
Assigned to:					
Year-end encumbrances	115,239				115,239
Subsequent year's expenditures	41,708			2,491	44,199
Unassigned	<u>(272,245)</u>		<u>506,102</u>	<u>4,080</u>	<u>237,937</u>
Total fund balances	<u>5,302,810</u>		<u>506,102</u>	<u>6,571</u>	<u>5,815,483</u>
Total liabilities and fund balances	<u>\$ 5,480,413</u>	<u>\$ 867,217</u>	<u>\$ 777,764</u>	<u>\$ 6,571</u>	
 Unreserved					
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 \$61,333,080 and the accumulated depreciation is \$25,112,962. 36,220,118					
Deferred Loss on Defeasance 1,429,376					
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (307,401)					
Accounts payable related to the April 1, 2019 required PERS contribution that is not to be liquidated with current financial resources. (406,004)					
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:					
	Deferred Outflows of Resources from Pensions		\$ 2,247,788		
	Net Pension Liability		(8,211,625)		
	Deferred Inflows of Resources from Pensions		<u>(3,122,983)</u>		(9,086,820)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
	General Obligation Bonds		(22,135,000)		
	Bond Premium		(828,090)		
	Capital Lease Payable		(4,155,674)		
	Compensated Absences Payable		<u>(974,695)</u>		<u>(28,093,459)</u>
	Net position of governmental activities				<u>\$ 5,571,293</u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 32,048,864	\$ -	\$ -	\$ 1,849,788	\$ 33,898,652
Tuition charges	60,249				60,249
Miscellaneous	77,088	339,787	4,080		420,955
Total revenues-local sources	32,186,201	339,787	4,080	1,849,788	34,379,856
State sources	20,958,687	155,140		381,536	21,495,363
Federal sources	56,117	1,149,742			1,205,859
Total revenues	53,201,005	1,644,669	4,080	2,231,324	57,081,078
EXPENDITURES:					
Current expense:					
Regular instruction	13,816,806	479,259			14,296,065
Special education instruction	4,192,944	617,991			4,810,935
Other instruction	1,500,920				1,500,920
Support services and undistributed costs:					
Tuition	2,690,482				2,690,482
Student & instruction related services	5,501,984	486,742			5,988,726
General administrative services	626,830				626,830
School administrative services	1,538,027				1,538,027
Central services	425,285				425,285
Admin. Info. Tech	144,936				144,936
Plant operations and maintenance	4,006,103				4,006,103
Pupil transportation	2,345,489				2,345,489
Unallocated employee benefits	14,403,351	24,308			14,427,659
Capital outlay	1,691,941	36,369	19,955		1,748,265
Transfer of funds to charter schools	19,535				19,535
Debt service:					
Principal				1,655,000	1,655,000
Interest and other charges				703,794	703,794
Total expenditures	52,904,633	1,644,669	19,955	2,358,794	56,928,051
Excess (deficiency) of revenues over (under) expenditures	296,372		(15,875)	(127,470)	153,027
Other Financing Sources (Uses):					
Proceeds of capital lease	391,084				391,084
Operating transfer in				4,080	4,080
Operating transfer out			(4,080)		(4,080)
Total other financing sources (uses)	391,084	-	(4,080)	4,080	391,084
Net change in fund balance	687,456		(19,955)	(123,390)	544,111
Fund balances, July 1	4,615,354		526,057	129,961	5,271,372
Fund balances, June 30	\$ 5,302,810	\$ -	\$ 506,102	\$ 6,571	\$ 5,815,483

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2)	\$	544,111
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p style="margin-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	\$ (760,359)	
Capital outlay	<u>379,999</u>	(380,360)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		1,751,366
Deferred loss on refunding arising from the issuance of the refunding school bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.		(133,742)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		653,835
The proceeds of a capital lease are an other financing source of revenue in the governmental funds funds but are not report in the statement of activities.		(391,084)
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		(67,216)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation.		4,538
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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(16,158)</u>
Change in net position of governmental activities	\$	<u><u>1,965,290</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities Enterprise Funds <u>Food Service Program</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 557,001
Accounts receivable	28,455
Inventories	<u>18,559</u>
Total current assets	<u>604,015</u>
Noncurrent assets:	
Equipment	869,414
Less accumulated depreciation	<u>(554,857)</u>
Total noncurrent assets	<u>314,557</u>
Total assets	<u><u>\$ 918,572</u></u>
 LIABILITIES	
Current liabilities:	
Accounts Payable	13,171
Unearned revenue	<u>22,295</u>
Total liabilities	<u>35,466</u>
 NET POSITION	
Net investment in capital assets	314,557
Unrestricted	<u>568,549</u>
Total net position	<u><u>\$ 883,106</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2019

	Business-type Activities Enterprise Funds
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 417,051
Daily sales-non-reimbursable programs	343,277
	760,328
Operating expenses:	
Salaries	446,821
Employee benefits	90,025
Supplies and materials	40,653
Depreciation	30,031
Management fee	75,687
Repairs and maintenance of equipment	30,274
Cost of sales - reimbursable programs	318,893
Cost of sales - nonreimbursable programs	126,595
Direct expenses	35,344
Other expenses	9,068
	1,203,391
Total operating expenses	1,203,391
Operating income (loss)	(443,063)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	12,574
Federal sources:	
National school lunch program	343,075
National school breakfast program	92,009
U.S.D.A. commodities	80,714
	528,372
Total nonoperating revenues (expenses)	528,372
Change in net position	85,309
Net position- July 1	797,797
Net position - June 30	\$ 883,106

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2019

		Business-type Activities Enterprise Funds
		<u>Food Service Program</u>
Cash flows from operating activities:		
Receipts from customers	\$	761,141
Payments to employees		(536,846)
Payments to suppliers		(584,359)
Net cash used for operating activities		<u>(360,064)</u>
Cash flows from noncapital financing activities:		
State sources		12,312
Federal sources		427,205
Net cash provided by non-capital financing activities		<u>439,517</u>
Cash flows from capital activities:		
Purchases of fixed assets		(107,326)
Net cash used for capital activities		<u>(107,326)</u>
Cash flows from investing activities:		
Interest and dividends		-
Net cash provided by investing activities		<u>-</u>
Net increase in cash and cash equivalents		(27,873)
Balances - July 1		<u>584,874</u>
Balances - June 30	\$	<u><u>557,001</u></u>
Reconciliation of operating loss to net cash provided		
(used) by operating activities:		
Operating income (loss)	\$	(443,063)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		30,031
Federal commodities		80,714
(Increase) decrease in accounts receivable		(1,661)
(Increase) decrease in inventories		(1,779)
Increase (decrease) in accounts payable		(26,780)
Increase (decrease) in unearned revenue		2,474
Total adjustments		<u>82,999</u>
Net cash provided by (used for) operating activities	\$	<u><u>(360,064)</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Unemployment Compensation Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 66,527	\$ 563,566
Interfund	<u> 53,325</u>	<u> -</u>
Total assets	<u><u> \$ 119,852</u></u>	<u><u> \$ 563,566</u></u>
LIABILITIES:		
Accounts payable	\$ 125	\$ -
Interfund payable	-	661
Payroll deductions and withholdings	-	209,799
Due to student groups	<u> -</u>	<u> 353,106</u>
Total liabilities	<u> 125</u>	<u><u> \$ 563,566</u></u>
NET POSITION:		
Held in trust for unemployment claims and other purposes	<u><u> \$ 119,727</u></u>	

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee contributions	\$ 41,850
Total Contributions	41,850
Investment earnings:	
Interest	-
Total additions	41,850
DEDUCTIONS:	
Unemployment claims	24,513
Total deductions	24,513
Change in Net Position	17,337
Net Position - July 1	102,390
Net Position - June 30	\$ 119,727

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Delran Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately 7.5 square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of Delran's students in grades K through 12. The Delran School District has an approximate enrollment at June 30, 2019 of 2,960 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide 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 Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) -The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

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

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

Enterprise Funds – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District’s enterprise fund is:

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

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund Financial Statements (Continued) - Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. 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. 6:23A-16.2(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:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule 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 balances – governmental funds. Note that the School District does not report encumbrances outstanding at 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 one or more June 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. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis. The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements. Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on 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, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, 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. Bonds are recognized as a liability on the fund financial statements when due.

Bond Discount and Bond Premium - Bond discount and bond premium arising from the issuance of the general obligation bonds are recorded as liabilities. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. Bond discount and bond premium are presented as an adjustment of the face amount of the bonds.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the 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 School District or through external restrictions imposed by creditors, grantors or law 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.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2019.

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

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements - In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District’s financial reporting.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement may have an effect on the District’s financial reporting.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement will not have any effect on the District’s financial reporting.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is designed to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District’s financial reporting.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In May 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation: establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of this Statement will not have any effect on the District's financial reporting.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC).

Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$8,162,237 as of June 30, 2019, \$250,000 was insured under FDIC and the remaining balance of \$7,912,237 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal 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 to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Balance – July 1, 2018		\$	2,326,242
Increased by:			
Transfer by Board Resolution	\$ 1,000,000		
Unspent in General Fund	900,000		
Interest Earned	22,099		
	1,922,099		1,922,099
			4,248,341
Decreased by:			
Budgeted Withdrawal	900,000		
Budgeted Resolution	200,000		
	1,100,000		1,100,000
Balance – June 30, 2019		\$	3,148,341

The June 30, 2019 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2019 consisted of accounts (fees) and intergovernmental grants. All intergovernmental 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 at June 30, 2019 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Intergovernmental					
State	\$ 406,845	\$ 266,709	\$ 302,451	\$ 697	\$ 976,702
Federal		600,508		26,018	626,526
Other	92,626			1,740	94,366
Total	\$ 499,471	\$ 867,217	\$ 302,451	\$ 28,455	\$ 1,697,594

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	June 30, 2018	Additions	Deletions	June 30, 2019
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Construction in Progress	\$ 25,198,232	\$ -	\$ -	\$ 25,198,232
Total Capital Assets not being Depreciated	25,198,232	-	-	25,198,232
<i>Capital Assets, being depreciated:</i>				
Land Improvements	961,806	295,000		1,256,806
Building and Improvements	32,229,838			32,229,838
Machinery & Equipment	2,693,699	84,999	130,494	2,648,204
Total Historical Cost	61,083,575	379,999	130,494	61,333,080
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(699,500)	(35,991)		(735,491)
Building and Improvements	(21,531,258)	(622,754)		(22,154,012)
Machinery & Equipment	(2,252,339)	(101,614)	(130,494)	(2,223,459)
Total Accumulated Depreciation	(24,483,097)	(760,359)	(130,494)	(25,112,962)
 Governmental Activities Capital Assets, Net	 \$ 36,600,478	 \$ (380,360)	 \$ -	 \$ 36,220,118
 Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 748,917	\$ 120,497	\$ -	\$ 869,414
Less - Accumulated Depreciation	(524,826)	(30,031)		(554,857)
Business-Type Activities Capital Assets, Net	\$ 224,091	\$ 90,466	\$ -	\$ 314,557

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

5. CAPITAL ASSETS

Depreciation expense in the amount of \$760,359 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 532,251
Administration	76,036
Plant Operations and Maintenance	114,054
Unallocated	38,018
 Total	 \$ 760,359

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2019 consisted of the following:

	Food Service
Food	\$ 15,263
Supplies	3,296
	\$ 18,559

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2018	Additions	Reductions	Principal Outstanding June 30, 2019	Amount Due Within One Year
Compensated Absences	\$ 958,537	\$ 16,158	\$ -	\$ 974,695	\$ -
Capital Lease Payable	4,418,425	391,084	653,835	4,155,674	465,411
General Obligation Bonds	23,790,000		1,655,000	22,135,000	1,655,000
Bond Premium	924,456		96,366	828,090	96,366
Net Pension Liability	9,603,240		1,391,615	8,211,625	
	\$ 39,694,658	\$ 407,242	\$ 3,796,816	\$ 36,305,084	\$ 2,216,777

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the District are as follows:

2015 School Refunding Bonds dated October 6, 2015 in the amount of \$1,255,000 due in annual installments through January 15, 2023 bearing interest rates ranging from 2.00% - 4.00%.

2016 School Refunding Bonds dated April 14, 2016 in the amount of \$20,880,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 2.00% - 4.00%.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

7. LONG-TERM OBLIGATIONS (CONTINUED)

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,700,000	\$ 642,794	\$ 2,342,794
2021	1,765,000	579,693	2,344,693
2022	1,830,000	514,094	2,344,094
2023	1,900,000	439,694	2,339,694
2024	1,980,000	362,094	2,342,094
2025-2029	10,675,000	1,013,872	11,688,872
2030	<u>2,285,000</u>	<u>28,562</u>	<u>2,313,562</u>
	\$ <u>22,135,000</u>	\$ <u>3,580,803</u>	\$ <u>25,715,803</u>

As of June 30, 2019, the District had no authorized but not issued bonds.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Capital Leases - As of June 30, 2019, the District had the following capital leases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Surveillance System	January 26, 2020	1.92%	\$ 122,130
Installation of Access Points	July 31, 2020	1.82%	170,664
Energy Savings Imp. Program	March 1, 2032	2.38%	4,560,000
Technology Equipment	July 13, 2020	3.25%	105,204
IT & Stem Lab Equipment	July 27, 2022	2.95%	285,880

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2019:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 367,431	\$ 97,980	\$ 465,411
2021	427,928	89,813	517,741
2022	369,315	78,917	448,232
2023	237,000	69,782	306,782
2024	250,000	64,058	314,058
2025-2029	1,453,000	223,530	1,676,530
2030-2032	<u>1,051,000</u>	<u>44,506</u>	<u>1,095,506</u>
	\$ <u>4,155,674</u>	\$ <u>668,586</u>	\$ <u>4,824,260</u>

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

8. OPERATING LEASES

At June 30, 2019 the School District had three operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2019 were \$204,852. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2020	\$ 162,612
June 30, 2021	103,476
June 30, 2022	103,476
June 30, 2023	<u>18,621</u>
Total future minimum lease payments	<u>\$ 593,037</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits. P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. 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. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Vesting and Benefit Provisions – 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 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 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 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 their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$2,569,311 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$1,506,498.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 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.

At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2018, the School District recognized pension expense of \$6,303,564 and revenue of \$6,303,564 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/18</u>	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 12,473,998,870	\$ 14,160,879,257
Collective deferred inflows of resources	16,180,773,643	11,800,239,661
Collective net pension liability (Nonemployer – State of New Jersey)	63,617,852,031	67,423,605,859
State's portion of the net pension liability that was associated with the School District	108,129,376	115,952,409
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1699670340%	.1719759835%

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	2.25%
Salary Increases:	
2011-2026	1.55- 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. 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 (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

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. As such, the proportionate share of the net pension liability as of June 30, 2018, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, 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 (3.25%) or 1 percentage point higher (5.25%) that the current rate

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	127,806,869	108,129,376	91,817,214
	\$ 127,806,869	\$ 108,129,376	\$ 91,817,214

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS designated purpose is to provide retirement, death and disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS

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 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 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 their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 13.32% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$414,836 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$234,064.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2019	\$ 51,840	\$ 344,133	\$ 18,863	\$ 2,049	\$ 416,885
2018	50,302	313,243	18,628	5,300	387,473
2017	61,006	310,467	18,540	2,406	392,419

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

At June 30, 2019, the School District reported a liability of \$8,211,625 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2019, the School District recognized pension expense of \$485,772. At June 30, 2019, the School District reported a liability of \$8,211,625 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,597	\$ 42,342
Changes of assumptions	1,353,140	2,625,641
Net Difference between projected and actual earnings on pension plan investments		77,025
Changes in proportion	332,047	377,975
District contributions subsequent to the measurement date	406,004	
Total	\$ 2,247,788	\$ 3,122,983

\$406,004 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (17,793)
2021	(177,854)
2022	(564,816)
2023	(334,092)
2024	(186,644)
Total	\$ (1,281,199)

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
School District's Proportion	.0417056023%	.0412538649%

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 2.25%
- Salary Increases:
 - Through 2026: 1.65-4.15% based on age
 - Thereafter: 2.65-5.15% based on age
- Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2018, calculated using the discount rate of 5.66%, 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 (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
School District's proportionate share of the net pension liability	\$ 10,325,172	\$ 8,211,625	\$ 6,438,494

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2019	\$ 7,949	\$ 7,949
2018	4,061	4,061
2017	1,499	1,499

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the school district. Note that actual numbers will be published in the NJ State’s CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014 and July 1, 2010 – June 30, 2013 for TPAF, PFRS, and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2018 and 2016 was 3.87%. This represent 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.

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2017	\$ 97,557,199
Changes for the years'	
Service Cost	3,444,684
Interest	3,577,762
Changes of benefit terms	
Differences between expected and actual experience	(9,690,826)
Changes in assumptions	(9,546,948)
Gross Benefit Payments	(2,224,583)
Contributions from the Non-employer	N/A
Contributions from the Member	76,885
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (14,363,026)
Balance at 06/30/2018	\$ 83,194,173

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, associated with the School District, 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 1percentage-point higher than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 98,352,448	\$ 83,194,173	\$ 71,144,910

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2018, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 100,651,314	\$ 83,194,173	\$ 67,671,465

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2019, the School District recognized \$3,564,852 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan’s June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District’s proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2019, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and		
actual experiences	\$ -	\$ 8,075,853
Changes of assumptions	-	18,648,399
Total	\$ -	\$ 26,724,252

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2019	\$ (3,293,099)
2020	(3,293,099)
2021	(3,293,099)
2022	(3,293,099)
2023	(3,293,099)
Therafter	(10,258,757)
Total	\$ (26,724,252)

Detailed information about the pension plan’s sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2019, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$3,543,981, \$1,607,544, and \$3,520, respectively. In addition, \$1,424,313 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. 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; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance – The District maintains commercial insurance for all risks of loss, including property, liability, employee health, accident insurance and public official surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Business 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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior four years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 41,850	\$ -	\$ -	\$ 24,513	\$ 119,727
2017-2018	40,101	-	-	66,979	102,390
2016-2017	39,065	-	-	51,664	129,268
2015-2016	37,533	-	-	63,888	141,867
2014-2015	47,002	-	-	45,780	168,222

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

14. COMPENSATED ABSENCES

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2019, the liability for compensated absences in the governmental activities was \$974,695.

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2020. The following interfund balances were recorded on the various balance sheets as of June 30, 2019:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 561,316	\$ 99,190
Special Revenue		295,564
Capital Projects	45,865	271,662
Debt Service Fund	6,571	
Proprietary Fund		
Fiduciary Fund	53,325	661
Total	\$ 667,077	\$ 667,077

All interfund balances are expected to be paid or collected within the subsequent year.

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2019, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

17. TAX ABATEMENTS

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.

As of December 31, 2018, the Township of Delran had no tax abatements.

18. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$272,245 in the General Fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$272,245 is equal to or less than the June state aid payment.

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2019, a deficit of \$11,047,165 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2019:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance - Unassigned	\$ (272,245)
Liabilities:	
Accrued Interest Payable	(307,401)
Net Pension Differences	(9,492,824)
Compensated Absences	<u>(974,695)</u>
Unrestricted Net Position (Deficit)	<u>\$ (11,047,165)</u>

20. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

20. FUND BALANCES

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$743,547 presented on the budgetary basis of accounting (Exhibit C-1). In addition, \$666,336 of excess fund balance generated during the 2017-2018 fiscal year has been restricted and designated for utilization in the 2019-2020 budget.

Capital Reserve – As of June 30, 2019, the balance in the capital reserve account is \$3,148,341. all of which is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan. Of this amount \$1,153,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2020.

Maintenance Reserve Account – As of June 30, 2019, the balance in the maintenance reserve account is \$859,884. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – At June 30, 2019 the School District has \$115,239 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020, \$41,708 of general fund balance.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019, \$2,491 of debt service fund balance.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2019, the fund balance of the general fund was a deficit of \$272,245. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 17).

Capital Projects Fund – As of June 30, 2019, \$506,102 of capital projects fund balance was unassigned.

Debt Service Fund – As of June 30, 2019, \$4,080 of debt service fund balance was unassigned.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

21. LITIGATION

The District is involved in two legal proceedings. The outcome or potential liability exposure is unknown at this time.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 32,048,864	\$ -	\$ 32,048,864	\$ 32,048,864	\$ -
Tuition - Individuals	15,000	-	15,000	60,249	45,249
Capital reserve interest	500	(50)	450	22,099	21,649
Maintenance reserve interest		50	50	2,652	2,602
Unrestricted miscellaneous revenue	30,000	-	30,000	52,337	22,337
Total local sources	32,094,364	-	32,094,364	32,186,201	91,837
State sources:					
Categorical special education aid	1,756,355	805,553	2,561,908	2,561,908	-
Equalization aid	10,451,665	165,397	10,617,062	10,617,062	-
Security aid	418,930	-	418,930	418,930	-
Transportation aid	516,610	-	516,610	516,610	-
Extraordinary aid	275,000	-	275,000	387,385	112,385
Additional non-public transportation aid				19,430	19,430
On-behalf TPAF pension contributions (non-budgeted)				3,543,981	3,543,981
On-behalf TPAF medical (non-budgeted)				1,607,544	1,607,544
On-behalf TPAF LTDI (non-budgeted)				3,520	3,520
Reimbursed TPAF social security contributions (non-budgeted)				1,424,313	1,424,313
Total state sources	13,418,560	970,950	14,389,510	21,100,683	6,711,173
Federal sources:					
Medicaid reimbursement	48,183	-	48,183	56,117	7,934
Total federal sources	48,183	-	48,183	56,117	7,934
TOTAL REVENUES	45,561,107	970,950	46,532,057	53,343,001	6,810,944
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	657,408	91,202	748,610	748,075	535
Grades 1-5	4,204,410	(199,315)	4,005,095	3,996,629	8,466
Grades 6-8	2,910,676	42,060	2,952,736	2,937,227	15,509
Grades 9-12	5,145,630	(164,727)	4,980,903	4,971,969	8,934
Total Instruction	12,918,124	(230,780)	12,687,344	12,653,900	33,444
Regular Programs - Home Instruction:					
Salaries of teachers	59,000	22,361	81,361	81,361	-
Purchased professional - educ services	15,500	-	15,500	13,343	2,157
Total Home Instruction	74,500	22,361	96,861	94,704	2,157

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	\$ 173,523	\$ 523	\$ 174,046	\$ 171,857	\$ 2,189
Purchased technical services	47,069	(9,581)	37,488	37,488	-
Other purchased services	278,198	31,514	309,712	302,102	7,610
General supplies	454,570	44,567	499,137	464,567	34,570
Textbooks	208,473	(133,735)	74,738	73,013	1,725
Other objects	19,645	(246)	19,399	19,175	224
Total Undistributed Instruction	<u>1,181,478</u>	<u>(66,958)</u>	<u>1,114,520</u>	<u>1,068,202</u>	<u>46,318</u>
Total - Regular Programs - Instruction	<u>14,174,102</u>	<u>(275,377)</u>	<u>13,898,725</u>	<u>13,816,806</u>	<u>81,919</u>
Special Educ Instruction - Learning/Lang. Disabilities					
Salaries of teachers	383,297	(52,023)	331,274	320,276	10,998
Other salaries for instruction	62,841	(2,875)	59,966	59,883	83
General supplies	1,206	-	1,206	1,131	75
Total Learning/Language Disabilities	<u>447,344</u>	<u>(54,898)</u>	<u>392,446</u>	<u>381,290</u>	<u>11,156</u>
Special Educ Instruction - Multiple Disabilities					
Salaries of teachers	216,659	1,319	217,978	216,031	1,947
Other salaries for instruction	306,067	(13,880)	292,187	231,964	60,223
Total Multiple Disabilities	<u>522,726</u>	<u>(12,561)</u>	<u>510,165</u>	<u>447,995</u>	<u>62,170</u>
Special Educ Instruction - Res. Room/Res. Center					
Salaries of teachers	2,972,838	44,328	3,017,166	3,005,595	11,571
Other salaries for instruction	56,838	(56,838)	-	-	-
General supplies	26,094	-	26,094	14,515	11,579
Total Resource Room/Resource Center	<u>3,055,770</u>	<u>(12,510)</u>	<u>3,043,260</u>	<u>3,020,110</u>	<u>23,150</u>
Special Educ Instruction - Autism					
Salaries of teachers	132,109	7,862	139,971	139,971	-
Total Autism	<u>132,109</u>	<u>7,862</u>	<u>139,971</u>	<u>139,971</u>	<u>-</u>
Preschool Disabilities - Part-time					
Salaries of teachers	205,928	(82,786)	123,142	122,809	333
Other salaries for instruction	41,995	37,963	79,958	79,479	479
General supplies	2,500	-	2,500	1,290	1,210
Total Preschool Disabilities - Part-time	<u>250,423</u>	<u>(44,823)</u>	<u>205,600</u>	<u>203,578</u>	<u>2,022</u>
Total Special Education - Instruction	<u>4,408,372</u>	<u>(116,930)</u>	<u>4,291,442</u>	<u>4,192,944</u>	<u>98,498</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	-	425	425	425	-
Total Basic Skills/Remedial - Instruction	<u>-</u>	<u>425</u>	<u>425</u>	<u>425</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries	393,162	20,613	413,775	406,636	7,139
Purchased professional - educational services	6,000	(6,000)	-	-	-
Other purchased services	5,000	(5,000)	-	-	-
General supplies	1,000	(1,000)	-	-	-
Total Bilingual Education - Instruction	<u>405,162</u>	<u>8,613</u>	<u>413,775</u>	<u>406,636</u>	<u>7,139</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Inst.					
Salaries	\$ 315,055	\$ 16,581	\$ 331,636	\$ 269,127	\$ 62,509
Other purchased services	2,500	750	3,250	3,250	-
Supplies and materials	25,607	14,094	39,701	35,875	3,826
Other objects	1,560	(500)	1,060	837	223
Total School-Sponsored Cocurr. Act. - Inst	<u>344,722</u>	<u>30,925</u>	<u>375,647</u>	<u>309,089</u>	<u>66,558</u>
School-Sponsored Athletics - Inst.					
Salaries	415,401	13,658	429,059	396,700	32,359
Other purchased services	87,600	(611)	86,989	86,712	277
Supplies and materials	62,923	3,170	66,093	58,003	8,090
Other objects	1,850	(331)	1,519	1,352	167
Total School-Sponsored Athletics - Inst	<u>567,774</u>	<u>15,886</u>	<u>583,660</u>	<u>542,767</u>	<u>40,893</u>
Other Supplemental/At Risk Programs - Inst.					
Salaries of Reading Specialists	<u>146,838</u>	<u>95,165</u>	<u>242,003</u>	<u>242,003</u>	<u>-</u>
Total Supplemental/At Risk Programs - Inst	<u>146,838</u>	<u>95,165</u>	<u>242,003</u>	<u>242,003</u>	<u>-</u>
Undistributed Expenditures - Instruction					
Tuition to other lea's w/i state - regular	171,422	33,697	205,119	145,943	59,176
Tuition to other lea's w/i state - special	587,317	143,821	731,138	731,136	2
Tuition to county voc. school dist. - reg.	121,680	3,380	125,060	125,060	-
Tuition to county voc. school dist. - spl.	20,280	(3,380)	16,900	16,900	-
Tuition to CSSD & reg. day schools	-	452,753	452,753	452,453	300
Tuition to priv. sch. for the disabled w/i state	941,847	289,632	1,231,479	1,134,207	97,272
Tuition - state facilities	36,247	-	36,247	36,247	-
Tuition - other	76,904	(24,737)	52,167	48,536	3,631
Total Undistributed Expenditures - Instruction	<u>1,955,697</u>	<u>895,166</u>	<u>2,850,863</u>	<u>2,690,482</u>	<u>160,381</u>
Undistributed Expenditures - Attend. and Social Work					
Salaries	<u>51,051</u>	<u>335</u>	<u>51,386</u>	<u>51,386</u>	<u>-</u>
Total Undistributed Expenditures - Attendance	<u>51,051</u>	<u>335</u>	<u>51,386</u>	<u>51,386</u>	<u>-</u>
Undistributed Expenditures - Health Services					
Salaries	303,900	3,077	306,977	306,784	193
Purchased professional and technical services	13,000	19,026	32,026	30,261	1,765
Other purchased services	-	6,643	6,643	6,598	45
Supplies and materials	9,400	(9,400)	-	-	-
Total Undistributed Expenditures - Health Svcs.	<u>326,300</u>	<u>19,346</u>	<u>345,646</u>	<u>343,643</u>	<u>2,003</u>
Undist. Expend. - Speech, OT, PT, & Rel. Serv.					
Salaries	439,016	1	439,017	439,016	1
Purchased professional and technical services	-	20,401	20,401	20,401	-
Supplies and materials	3,000	-	3,000	2,866	134
Total Undst. Expend. - Speech, OT, PT, & Rel. Serv.	<u>442,016</u>	<u>20,402</u>	<u>462,418</u>	<u>462,283</u>	<u>135</u>
Undist. Expend. - Sp. Ed. - Extraordinary Services.					
Salaries	<u>494,565</u>	<u>804</u>	<u>495,369</u>	<u>493,726</u>	<u>1,643</u>
Total Undst. Expend. - Special Ed.- Extra. Serv.	<u>494,565</u>	<u>804</u>	<u>495,369</u>	<u>493,726</u>	<u>1,643</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance					
Salaries of other professional staff	\$ 594,335	\$ 22,557	\$ 616,892	\$ 613,580	\$ 3,312
Salaries of secretarial and clerical assistants	162,740	22,042	184,782	184,748	34
Other purchased services (400-500)	200	-	200	-	200
Supplies and materials	5,000	(259)	4,741	4,741	-
Total Undst. Expend. - Guidance	762,275	44,340	806,615	803,069	3,546
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	808,141	105,029	913,170	912,548	622
Salaries of secretarial and clerical assistants	143,244	(1,994)	141,250	132,812	8,438
Purchased professional and educ. services	1,134,405	234,871	1,369,276	1,048,935	320,341
Other purchased services (400-500)	37,500	(19,506)	17,994	15,256	2,738
Supplies and materials	51,500	(1,567)	49,933	45,819	4,114
Other objects	4,000	65	4,065	4,065	-
Total Undst. Expend. - Child Study Teams	2,178,790	316,898	2,495,688	2,159,435	336,253
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	134,081	(14,081)	120,000	120,000	-
Salaries of other professional staff	44,502	13,795	58,297	57,790	507
Salaries of secretarial and clerical assistants	50,751	109	50,860	50,860	-
Salaries of Facilitators, Math & Literacy Coaches	80,749	-	80,749	80,749	-
Supplies and materials	1,000	-	1,000	914	86
Other objects	11,180	-	11,180	9,793	1,387
Total Undst. Expend. - Improvement of Instr. Services	322,263	(177)	322,086	320,106	1,980
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	457,855	(2,339)	455,516	452,034	3,482
Salaries of Technology Coordinators	316,480	(20,697)	295,783	295,783	-
Purchased professional and technical services	26,895	(378)	26,517	23,189	3,328
Supplies and materials	36,400	(2,719)	33,681	28,525	5,156
Total Undst. Expend. - Educ. Media Serv./Sch. Library	837,630	(26,133)	811,497	799,531	11,966
Instructional Staff Training Services					
Salaries of secretarial and clerical assistance	21,418	(2,517)	18,901	10,975	7,926
Purchased professional and educ. services	86,844	(41,174)	45,670	31,125	14,545
Other purchased services (400-500)	56,335	(2,638)	53,697	26,705	26,992
Total instructional Staff Training Services	164,597	(46,329)	118,268	68,805	49,463
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	313,691	2,500	316,191	316,191	-
Legal services	68,000	30,941	98,941	98,941	-
Audit Fees	40,000	(9,100)	30,900	30,900	-
Architectural/Engineering Services	53,000	-	53,000	14,255	38,745
Other purchased professional services	15,750	(3,179)	12,571	5,509	7,062
Purchased technical services	10,000	(2,000)	8,000	4,063	3,937
Communications/Telephone	112,000	(8,085)	103,915	88,490	15,425
BOE Other purchased services (400-500)	5,500	-	5,500	4,079	1,421
Other purchased services (400-500)	17,700	3,000	20,700	16,216	4,484
General supplies	15,760	(1,726)	14,034	13,460	574
BOE In-House Training/Meeting Supplies	3,250	1,777	5,027	3,977	1,050
Miscellaneous expenditures	13,250	(605)	12,645	11,076	1,569
BOE membership dues and fees	22,450	1	22,451	19,673	2,778
Total Undst. Expend. - Supp. Serv. General Admin.	690,351	13,524	703,875	626,830	77,045

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	\$ 1,060,184	\$ (16,951)	\$ 1,043,233	\$ 1,040,195	\$ 3,038
Salaries of secretarial and clerical assistants	361,358	(7,194)	354,164	353,976	188
Purchased professional and technical services	83,770	(1,064)	82,706	75,181	7,525
Other purchased services	7,000	(1,000)	6,000	5,027	973
Supplies and Materials	65,146	(9,327)	55,819	53,074	2,745
Other objects	12,877	(806)	12,071	10,574	1,497
Total Undst. Expend. - Supp. Serv. School Admin.	1,590,335	(36,342)	1,553,993	1,538,027	15,966
Undist. Expend. - Central Services					
Salaries	382,392	7,335	389,727	375,189	14,538
Purchased professional services	32,000	(19,426)	12,574	5,665	6,909
Purchased technical services	30,000	-	30,000	29,800	200
Misc. purchased services	3,825	-	3,825	1,325	2,500
Supplies and materials	10,400	-	10,400	7,307	3,093
Other objects	7,800	(1,800)	6,000	5,999	1
Total Undst. Expend. - Central Services	466,417	(13,891)	452,526	425,285	27,241
Undist. Expend. - Admin. Info. Tech.					
Salaries	53,232	1	53,233	53,232	1
Purchased technical services	52,454	-	52,454	49,895	2,559
Other purchased services	46,351	-	46,351	41,809	4,542
Total Undst. Expend. - Admin. Info. Tech.	152,037	1	152,038	144,936	7,102
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	634,189	(10,050)	624,139	586,794	37,345
Cleaning, repair, and maintenance services	529,120	(135,140)	393,980	254,350	139,630
General supplies	20,022	(3,796)	16,226	3,711	12,515
Total Undst. Expend. - Required Maint. Sch. Facilities	1,183,331	(148,986)	1,034,345	844,855	189,490
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	51,574	-	51,574	51,574	-
Salaries of non-instructional aids	70,448	31,120	101,568	101,568	-
Purchased professional - tech services	30,400	11,500	41,900	30,378	11,522
Cleaning, repair, and maintenance services	1,495,029	(25,001)	1,470,028	1,453,600	16,428
Other purchased property services	60,486	1,800	62,286	57,315	4,971
Insurance	210,000	-	210,000	205,314	4,686
Miscellaneous purchased services	765	500	1,265	1,159	106
General supplies	295,301	15,000	310,301	268,880	41,421
Energy (natural gas)	230,000	-	230,000	160,921	69,079
Energy (electricity)	500,000	(55,625)	444,375	339,733	104,642
Other objects	1,530	-	1,530	654	876
Total Undst. Expend. - Other Oper. & Maint. of Plant	2,945,533	(20,706)	2,924,827	2,671,096	253,731
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	52,474	-	52,474	52,474	-
Purchased professional and technical services	187,000	5,000	192,000	191,648	352
General supplies	10,200	-	10,200	10,200	-
Total Undst. Expend. - Care and Upkeep of Grounds	249,674	5,000	254,674	244,122	10,552
Security					
Salaries	35,945	-	35,945	35,945	-
Purchased professional and technical services	158,000	46,600	204,600	204,600	-
General Supplies	20,000	20,000	20,000	5,485	14,515
Total Security	193,945	66,600	260,545	246,030	14,515
Total Undst. Expend. - Oper. & Maint. of Plant Services	4,572,483	(98,092)	4,474,391	4,006,103	468,288

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$ 55,991	\$ (25,009)	\$ 30,982	\$ 30,982	\$ -
Salaries for pupil trans (bet home & sch) - sp. ed.	-	16,633	16,633	16,633	-
Salaries for pupil trans (other than bet home & sch)	-	2,123	2,123	2,123	-
Salaries for pupil trans (bet home & sch) - nonpublic sch	-	6,252	6,252	6,252	-
Contr. serv. - Aid in Lieu Pymts-nonpub Sch	81,483	-	81,483	67,700	13,783
Contr. serv. (bet. home & sch.) - vendors	1,436,865	(288,487)	1,148,378	1,052,701	95,677
Contr. serv. (other than bet. home & sch.) - vendors	178,781	1,600	180,381	122,280	58,101
Contr. serv. (sp ed stds) - vendors	955,563	(68,883)	886,680	884,719	1,961
Contr. serv. (sp ed stds) - joint agreements	63,363	93,027	156,390	156,349	41
Misc. purchased services - transportation	12,755	-	12,755	5,750	7,005
Total Undst. Expend. - Student Trans. Services	2,784,801	(262,744)	2,522,057	2,345,489	176,568
Unallocated Benefits - Employee Benefits					
Social security contributions	421,050	46,099	467,149	467,149	-
Other retirement contributions - PERS	442,000	-	442,000	417,574	24,426
Workmen's Compensation	247,500	-	247,500	246,544	956
Health benefits	7,029,362	(534,203)	6,495,159	6,292,831	202,328
Tuition reimbursements	46,499	(1,300)	45,199	14,215	30,984
Other Employee Benefits	115,025	270,705	385,730	385,680	50
Total Unallocated Benefits - Employee Benefits	8,301,436	(218,699)	8,082,737	7,823,993	258,744
On-behalf TPAF pension contributions (non-budgeted)				3,543,981	(3,543,981)
On-behalf TPAF medical (non-budgeted)				1,607,544	(1,607,544)
On-behalf TPAF LTDI (non-budgeted)				3,520	(3,520)
Reimbursed TPAF social security contributions (non-budgeted)				1,424,313	(1,424,313)
Total Undistributed Expenditures - TPAF				6,579,358	(6,579,358)
Total Undistributed Expenditures	26,093,044	608,410	26,701,454	31,682,487	(4,981,034)
Total General Current Expense	46,140,014	367,116	46,507,130	51,193,157	(4,686,027)
CAPITAL OUTLAY:					
Equipment:					
Instruction	-	100,000	100,000		100,000
Undistributed expenditures - req. maint. school facilities	236,110	3,834	239,944	226,549	13,395
Total Equipment	236,110	103,834	339,944	226,549	113,395
Facilities Acquisition and Construction Services:					
Architect/Engineering Services	-	131,500	131,500	75,028	56,472
Construction	900,000	568,500	1,468,500	506,637	961,863
Lease Purchase Agreements - Principal	472,533	-	472,533	472,533	-
Assessment for Debt Service on SDA funding	20,110	-	20,110	20,110	-
Total Facilities Acquisition and Construction Services	1,392,643	700,000	2,092,643	1,074,308	1,018,335
Assets acquired under capital leases (non-budgeted):					
Equipment					
Undistributed expenditures - instruction				391,084	(391,084)
Total assets acquired under capital leases	-	-	-	391,084	(391,084)
Total Capital Outlay	1,628,753	803,834	2,432,587	1,691,941	740,646
Transfer of Funds to Charter Schools	26,306	-	26,306	19,535	6,771
Total Expenditures	47,795,073	1,170,950	48,966,023	52,904,633	(3,938,610)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ (2,233,966)</u>	<u>\$ (200,000)</u>	<u>\$ (2,433,966)</u>	<u>\$ 438,368</u>	<u>\$ 2,872,334</u>
Other Financing Sources (Uses):					
Transfer to Capital Projects				391,084	391,084
Proceeds from Capital Lease				391,084	391,084
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,084</u>	<u>391,084</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,233,966)</u>	<u>(200,000)</u>	<u>(2,433,966)</u>	<u>829,452</u>	<u>3,263,418</u>
Fund Balance, July 1	<u>5,796,102</u>		<u>5,796,102</u>	<u>5,796,102</u>	
Fund Balance, June 30	<u>\$ 3,562,136</u>	<u>\$ (200,000)</u>	<u>\$ 3,362,136</u>	<u>\$ 6,625,554</u>	<u>\$ 3,263,418</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 666,336	
Reserve for Excess Surplus				743,547	
Maintenance Reserve				859,884	
Capital Reserve				3,148,341	
Assigned Fund Balance					
Year-end Encumbrances				115,239	
Designated for Subsequent Years Expenditures				41,708	
Unassigned Fund Balance				<u>1,050,499</u>	
				6,625,554	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(1,322,744)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 5,302,810</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ 1,035,469	\$ 1,035,469	\$ 339,787	\$ (695,682)
State sources	145,137	157,320	302,457	155,140	(147,317)
Federal sources		1,301,048	1,301,048	1,149,742	(151,306)
Total revenues	<u>145,137</u>	<u>2,493,837</u>	<u>2,638,974</u>	<u>1,644,669</u>	<u>(994,305)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers		402,501	402,501	351,518	50,983
Purchased professional - educ. services	89,586	39,373	128,959	14,817	114,142
Transportation		6,000	6,000	4,697	1,303
Tuition		617,991	617,991	617,991	-
Purchased professional - tech. services	28,946	8,554	37,500	15,843	21,657
General supplies		144,582	144,582	79,065	65,517
Textbooks		23,016	23,016	13,319	9,697
Total instruction	<u>118,532</u>	<u>1,242,017</u>	<u>1,360,549</u>	<u>1,097,250</u>	<u>263,299</u>
Support services:					
Salaries		12,500	12,500	9,110	3,390
Salaries of other professional staff		23,243	23,243	7,035	16,208
Personal services - employee benefits		44,324	44,324	24,308	20,016
Purchased professional - educ. services		128,232	128,232	117,108	11,124
Other purchased services	26,605	38,345	64,950	56,890	8,060
Purchased professional and technical services		42,001	42,001	42,001	-
Travel		44,231	44,231	15,476	28,755
Supplies and materials		316,819	316,819	239,122	77,697
Total support services	<u>26,605</u>	<u>649,695</u>	<u>676,300</u>	<u>511,050</u>	<u>165,250</u>
Facilities acquisition and construction services:					
Building		2,000	2,000		2,000
Engineering		78,278	78,278	27,924	50,354
Construction		521,847	521,847	8,445	513,402
Total facilities acq. and const. services	<u>-</u>	<u>602,125</u>	<u>602,125</u>	<u>36,369</u>	<u>565,756</u>
Total expenditures	<u>145,137</u>	<u>2,493,837</u>	<u>2,638,974</u>	<u>1,644,669</u>	<u>994,305</u>
Total outflows	<u>145,137</u>	<u>2,493,837</u>	<u>2,638,974</u>	<u>1,644,669</u>	<u>994,305</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 53,343,001	\$ 1,644,669
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,180,748	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,322,744)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 53,201,005</u>	<u>\$ 1,644,669</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 52,904,633	\$ 1,644,669
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.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 52,904,633</u>	<u>\$ 1,644,669</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

DELRAN TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Six Fiscal Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0417056023%	0.0412538649%	0.0439013136%	0.0420543940%	0.0422519522%	0.0404034841%
District's proportionate share of the net pension liability (asset)	\$ 8,211,625	\$ 9,603,240	\$ 13,002,310	\$ 9,440,369	\$ 7,910,721	\$ 7,721,909
District's covered-employee payroll	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	269.41%	326.01%	445.53%	324.59%	274.03%	272.06%
Plan fiduciary net position as a percentage of the total pension liability	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

DELRAN TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Six Fiscal Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 406,004	\$ 416,885	\$ 387,473	\$ 390,013	\$ 361,555	\$ 348,319
Contributions in relation to the contractually required contributions	<u>(406,004)</u>	<u>(416,885)</u>	<u>(387,473)</u>	<u>(390,013)</u>	<u>(361,555)</u>	<u>(348,319)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
Contributions as a percentage of covered-employee payroll	13.32%	14.15%	13.28%	13.41%	12.52%	12.27%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

DELRAN TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1699670340%	0.1719759835%	0.1740272235%	0.1674755276%	0.1638892624%	0.1672709993%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
Total	<u><u>\$ 108,129,376</u></u>	<u><u>\$ 115,952,409</u></u>	<u><u>\$ 136,900,894</u></u>	<u><u>\$ 105,851,685</u></u>	<u><u>\$ 87,593,477</u></u>	<u><u>\$ 84,537,447</u></u>
District's covered-employee payroll	19,770,078	19,161,160	18,350,014	17,728,774	17,726,454	17,428,428
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

DELRAN TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	June 30, 2019	June 30, 2018
	<u> </u>	<u> </u>
State's proportion of the net OPEB liability (asset) associated with the District	0.18%	0.18%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 83,194,173	\$ 97,557,199
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%
	<u>June 30,</u> 2019	<u>June 30,</u> 2018
Total OPEB Liability		
Service Cost	\$ 3,444,684	\$ 4,155,935
Interest	3,577,762	3,100,676
Differences between expected and actual experiences	(9,690,826)	
Changes of assumptions	(9,546,948)	(13,243,258)
Member Contributions	76,885	83,205
Benefit payments	<u>(2,224,583)</u>	<u>(2,259,632)</u>
Net Change in total OPEB Liability	\$ (14,363,026)	\$ (8,163,074)
Total OPEB Liability - beginning	<u>\$ 97,557,199</u>	<u>\$ 105,720,273</u>
Total OPEB Liability - ending	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
District's covered-employee payroll	22,818,051	22,106,887
Total OPEB Liability as a percentage of covered-employee payroll	364.60%	441.30%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Delran Township School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2019

1. Teacher's Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: For 2018, the discount rate changed to 4.86% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 4.25% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 – June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2013, the discount rate was 4.68%

2. Public Employees' Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further salary increases were assumed to increase between 1.65% and 4.15% (based on age) through year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90% and the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(1)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%

3. Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: In 2018 the discount rate changed to 3.87% from 3.85% as of June 30, 2017. In 2018, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions. The discount rate was 2.85% as of June 30, 2016.

Other Supplementary Information

Special Revenue Fund
Detail Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2019

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ -	\$ -	\$ 339,787	\$ 339,787
State sources	155,140	-	-	155,140
Federal sources	-	1,149,742	-	1,149,742
Total Revenues	155,140	1,149,742	339,787	1,644,669
EXPENDITURES:				
Instruction:				
Salaries of teachers	-	313,335	38,183	351,518
Professional education services	12,267	2,550	-	14,817
Transportation	-	-	4,697	4,697
Tuition	-	617,991	-	617,991
Professional technical services	15,843	-	-	15,843
Other purchased services	-	-	-	-
General supplies	14,820	42,829	21,416	79,065
Textbooks	13,319	-	-	13,319
Total instruction	56,249	976,705	64,296	1,097,250
Support services:				
Salaries	-	9,110	-	9,110
Salaries of other professional staff	-	7,035	-	7,035
Personal services-employee benefits	-	24,309	-	24,309
Purchased prof. and educational services	56,890	117,108	-	173,998
Purchase professional and technical services	42,001	-	-	42,001
Travel	-	15,475	-	15,475
Supplies and materials	-	-	239,122	239,122
Total support services	98,891	173,037	239,122	511,050
Facilities acquisition and const. serv.:				
Building	-	-	27,924	27,924
Non- Instructional equipment	-	-	8,445	8,445
Total facilities acquisition and const. serv.:	-	-	36,369	36,369
Total Expenditures	155,140	1,149,742	339,787	1,644,669
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2019

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Chapter 192 Auxillary Services Comp. Education	Chapter 193 Handicapped Services Exam & Classification	Carried Forward (Exh. E-1A)
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	13,319	42,001	14,820	56,890	12,267	15,843	155,140
Federal sources							-
Total Revenues	13,319	42,001	14,820	56,890	12,267	15,843	155,140
EXPENDITURES:							
Instruction:							
Salaries of teachers							-
Professional education services					12,267		12,267
Tuition							-
Professional technical services						15,843	15,843
Other purchased services							-
General supplies			14,820				14,820
Textbooks	13,319						13,319
Total instruction	13,319	-	14,820	-	12,267	15,843	56,249
Support services:							
Salaries							-
Salaries of other professional staff							-
Personal services-employee benefits							-
Purchased prof. and educational services				56,890			56,890
Purchase professional and technical services		42,001					42,001
Travel							-
Supplies and materials							-
Total support services	-	42,001	-	56,890	-	-	98,891
Facilities acquisition and const. serv.:							
Building							
Non- Instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	13,319	42,001	14,820	56,890	12,267	15,843	155,140
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2019

	Every Student Succeeds Act (ESSA)					IDEA Part B		Carried Forward (Exh. E-1A)
	Title I	Title II-A	Title III	Title III Immigrant	Title IV	Basic	Preschool	
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources								
Federal sources	357,791	32,351	28,257	1,320	11,824	667,470	50,729	1,149,742
Total Revenues	357,791	32,351	28,257	1,320	11,824	667,470	50,729	1,149,742
EXPENDITURES:								
Instruction:								
Salaries of teachers	301,387		7,754	1,263	2,931			313,335
Professional education services	2,550							2,550
Tuition						617,991		617,991
Professional technical services								-
Other purchased services								-
General supplies	30,949		10,646		1,234			42,829
Textbooks								-
Total instruction	334,886	-	18,400	1,263	4,165	617,991	-	976,705
Support services:								
Salaries		2,110			7,000			9,110
Salaries of other professional staff			7,035					7,035
Personal services-employee benefits	22,905	108	580	57	659			24,309
Purchased prof. and educational services		16,900				49,479	50,729	117,108
Purchase professional and technical services								-
Travel		13,233	2,242					15,475
Supplies and materials								-
Total support services	22,905	32,351	9,857	57	7,659	49,479	50,729	173,037
Facilities acquisition and const. serv.:								
Building								
Non- Instructional equipment								
Total facilities acquisition and const. serv.:								
Total Expenditures	357,791	32,351	28,257	1,320	11,824	667,470	50,729	1,149,742
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2019

	Security Grant County	Lockheed Martin Grant	STEM Grant	NJSIG Safety Grant	Rain Garden	Delran Education Foundation	Carried Forward (Exh. E-1A)
REVENUES:							
Local sources	\$ 266,710	\$ 5,000	\$ 44,613	\$ 7,100	\$ 1,681	\$ 14,683	\$ 339,787
State sources							-
Federal sources							-
Total Revenues	<u>266,710</u>	<u>5,000</u>	<u>44,613</u>	<u>7,100</u>	<u>1,681</u>	<u>14,683</u>	<u>339,787</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers			38,183				38,183
Professional education services							-
Transportation			4,697				4,697
Tuition							-
Professional technical services							-
Other purchased services							-
General supplies		5,000	1,733			14,683	21,416
Textbooks							-
Total instruction	<u>-</u>	<u>5,000</u>	<u>44,613</u>	<u>-</u>	<u>-</u>	<u>14,683</u>	<u>64,296</u>
Support services:							
Salaries of other professional staff							-
Personal services-employee benefits							-
Purchased prof. and educational services							-
Purchase professional and technical services							-
Travel							-
Supplies and materials	230,341			7,100	1,681		239,122
Total support services	<u>230,341</u>	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>1,681</u>	<u>-</u>	<u>239,122</u>
Facilities acquisition and const. serv.:							
Building	27,924						27,924
Construction	8,445						8,445
Total facilities acquisition and const. serv.:	<u>36,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,369</u>
Total Expenditures	<u>266,710</u>	<u>5,000</u>	<u>44,613</u>	<u>7,100</u>	<u>1,681</u>	<u>14,683</u>	<u>339,787</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects Fund
Detail Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2019

Revenues and Other Financing Sources:

SDA Grant	\$ -
Transfer from Capital Reserve	
Interest Earned on Investments	4,080
Total revenues and other financing sources	<u>4,080</u>

Expenditures and Other Financing (Uses):

Purchased professional services	
Construction services	19,955
Transfer to Debt Service Fund	<u>4,080</u>
Total expenditures and other financing (uses)	<u>24,035</u>
Excess (deficiency) or revenues over (under) expenditures	(19,955)
Fund Balance - July 1, 2018	<u>526,057</u>
Fund Balance - June 30, 2019	<u>\$ 506,102</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements to District Facilities
From Inception and for the Fiscal Year ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant				
Transfer from capital reserve				
Bond proceeds	\$ 25,858,000	\$ -	\$ 25,858,000	\$ 25,858,000
Total revenues	<u>25,858,000</u>	<u>0</u>	<u>25,858,000</u>	<u>25,858,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	3,738,652		3,738,652	3,738,652
Construction services	21,377,035		21,377,035	21,377,035
Other Objects	668,908		668,908	668,908
Total expenditures	<u>25,784,595</u>	<u>0</u>	<u>25,784,595</u>	<u>25,784,595</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 73,405</u>	<u>\$ -</u>	<u>\$ 73,405</u>	<u>\$ 73,405</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/09/08			
Bonds Authorized	\$0			
Bonds Issued	\$0			
Original Authorized Cost	\$0			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$0			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/12			
Revised target completion date	N/A			

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof Replacement and Crawlspace Ventilation
From Inception and for the Fiscal Year ended June 30, 2019

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 948,028	\$ -	\$ 948,028	\$ 948,028
Transfer from capital reserve	1,039,294		1,039,294	1,039,294
Total revenues	1,987,322		1,987,322	1,987,322
Expenditures and Other Financing Uses:				
Purchased professional services	22,827		22,827	22,827
Construction services	1,511,843	19,955	1,531,798	1,531,798
	1,534,670	19,955	1,554,625	1,554,625
Excess (deficiency) or revenues over (under) expenditures	\$ 452,652	\$ (19,955)	\$ 432,697	\$ 432,697
Additional project information:				
Project Number	1060-007-14-1002			
Grant Date	7/1/2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$1,987,322			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$1,987,322			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	09/30/15			
Revised target completion date	06/30/16			

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2019

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction and various improvements to the District's facilities	12/9/08	\$ 25,858,000	\$ 25,784,595	\$ -	\$ 73,405
Middle School Roof Replacement and Crawl Space Ventilation	7/1/2015	<u>1,987,322</u>	<u>1,534,670</u>	<u>19,955</u>	<u>432,697</u>
Total		<u>\$ 27,845,322</u>	<u>\$ 27,319,265</u>	<u>\$ 19,955</u>	<u>\$ 506,102</u>

Proprietary Funds
Detail Statements

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Net Position

as of June 30, 2019

	<u>Food Service Fund</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 557,001
Accounts receivable:	
State	697
Federal	26,018
Other	1,740
Inventories	<u>18,559</u>
Total current assets	<u>604,015</u>
Fixed assets:	
Equipment	869,414
Less: Accumulated depreciation	<u>(554,857)</u>
Total fixed assets	<u>314,557</u>
Total assets	<u><u>\$ 918,572</u></u>
LIABILITIES:	
Current liabilities:	
Accounts Payable	\$ 13,171
Unearned revenue	<u>22,295</u>
Total current liabilities	<u>35,466</u>
NET POSITION:	
Net investment in capital assets	314,557
Unreserved retained earnings	<u>568,549</u>
Total Net Position	<u><u>\$ 883,106</u></u>

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Revenues, Expenses and Change in Fund Net Position
for the Fiscal Year ended June 30, 2019

	Food Service Fund
<hr/>	
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 417,051
	<hr/>
Total-daily sales-reimbursable programs	417,051
Daily sales non-reimbursable programs	343,277
	<hr/>
Total operating revenue	760,328
	<hr/>
OPERATING EXPENSES:	
Salaries	446,821
Employee benefits	90,025
Supplies and materials	40,653
Depreciation	30,031
Management fee	75,687
Repairs and maintenance of equipment	30,274
Cost of sales - reimbursable programs	318,893
Cost of sales - nonreimbursable programs	126,595
Direct services	35,344
Other	9,068
	<hr/>
Total operating expenses	1,203,391
	<hr/>
Operating income (loss)	(443,063)
	<hr/>
Non-operating revenues:	
State sources:	
State school lunch program	12,574
Federal sources:	
National school lunch program	343,075
National school breakfast program	92,009
U.S.D.A. commodities	80,714
	<hr/>
Total non-operating revenues	528,372
	<hr/>
Net income (loss)	85,309
Net Position - July 1	797,797
	<hr/>
Net Position - June 30	\$ 883,106
	<hr/> <hr/>

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Years ended June 30, 2019

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 761,141
Cash payments to employees for services	(536,846)
Cash payments to suppliers for goods and services	(584,359)
Net cash used by operating activities	(360,064)
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	439,517
Net cash provided by noncapital financing activities	439,517
Cash flows from capital financing activities:	
Purchases of fixed assets	(107,326)
Net cash used by capital financing activities	(107,326)
Cash flows from investing activities:	
Interest on investments	-
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	(27,873)
Cash and cash equivalents, July 1	584,874
Cash and cash equivalents, June 30	\$ 557,001
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (443,063)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	30,031
Federal commodities	80,714
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	(1,661)
(Increase)/decrease in inventory	(1,779)
Increase/(decrease) in unearned revenue	2,474
Increase/(decrease) in accounts payable	(26,780)
Net cash used by operating activities	\$ (360,064)

Fiduciary Funds
Detail Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2019

	Agency Funds		Employee Benefit Trust Funds	Total
	Student Activity	Payroll	Unemployment Compensation	
ASSETS:				
Cash and cash equivalents	\$ 353,106	\$ 210,460	\$ 66,527	\$ 630,093
Interfund receivable	-	-	53,325	53,325
TOTAL ASSETS	\$ 353,106	\$ 210,460	\$ 119,852	\$ 683,418
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 125	\$ 125
Interfund payable	-	661	-	661
Payroll deductions and withholdings	-	209,799	-	209,799
Due to student groups	353,106	-	-	353,106
Total liabilities	353,106	210,460	125	563,691
NET POSITION:				
Restricted for:				
Reserved for unemployment claims	-	-	119,727	119,727
Total net position	\$ -	\$ -	\$ 119,727	\$ 119,727

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Statement of Change in Fiduciary Net Position
for the Fiscal Year ended June 30, 2019

	<u>Unemployment Compensation Insurance Fund</u>
REVENUES:	
Local sources:	
Employee contributions	<u>\$ 41,850</u>
Total Revenues	<u>41,850</u>
 EXPENDITURES:	
Current Expense:	
Undistributed Expenditures:	
Unemployment claims	<u>24,513</u>
Total Expenditures	<u>24,513</u>
Excess (deficiency) of revenues over (under) expenditures)	17,337
Net Assets July 1	<u>102,390</u>
Net Assets June 30	<u><u>\$ 119,727</u></u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2019

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2019</u>	<u>Balance June 30, 2019</u>
Delran School District					
Activity Funds	\$ 315,044	\$ 752,597	\$ 742,449	\$ -	\$ 325,192
Athletic Funds	<u>23,808</u>	<u>197,923</u>	<u>193,817</u>	<u>-</u>	<u>27,914</u>
Total	<u>\$ 338,852</u>	<u>\$ 950,520</u>	<u>\$ 936,266</u>	<u>\$ -</u>	<u>\$ 353,106</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
ASSETS:				
Cash and cash equivalents	\$ 136,698	\$ 26,978,840	\$ 26,905,078	\$ 210,460
Other accounts receivable	106,126	-	106,126	-
Interfund receivable	<u>1,540</u>	<u>-</u>	<u>1,540</u>	<u>-</u>
Total assets	<u>\$ 244,364</u>	<u>\$ 26,978,840</u>	<u>\$ 27,012,744</u>	<u>\$ 210,460</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 240,578	\$ 12,627,344	\$ 12,658,123	\$ 209,799
Net payroll	-	14,351,496	14,351,496	-
Interfund payable	<u>3,786</u>	<u>-</u>	<u>3,125</u>	<u>661</u>
Total liabilities	<u>\$ 244,364</u>	<u>\$ 26,978,840</u>	<u>\$ 27,012,744</u>	<u>\$ 210,460</u>

Long-Term Debt Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2018	Issued	Retired	Balance June 30, 2019
Refunding Bonds	10/6/2015	\$ 2,115,000	01/15/2020	\$ 305,000	2.000%	\$ 1,550,000	\$ -	\$ 295,000	\$ 1,255,000
			01/15/2021	310,000	2.000%				
			01/15/2022	315,000	4.000%				
			01/15/2023	325,000	2.000%				
School Bonds	7/15/2009	25,858,000			4.000%	1,260,000		1,260,000	-
Refunding School Bonds	4/14/2016	21,360,000	7/15/2019	1,395,000	4.000%	20,980,000		100,000	20,880,000
			7/15/2020	1,455,000	4.000%				
			7/15/2021	1,515,000	4.000%				
			7/15/2022	1,575,000	4.000%				
			7/15/2023	1,980,000	4.000%				
			7/15/2024	2,045,000	2.000%				
			7/15/2025	2,080,000	2.000%				
			7/15/2026	2,125,000	2.125%				
			7/15/2027	2,180,000	4.000%				
			7/15/2028	2,245,000	2.250%				
			7/15/2029	2,285,000	2.500%				
			Total			<u>\$ 23,790,000</u>	<u>\$ -</u>	<u>\$ 1,655,000</u>	<u>\$ 22,135,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Capital Leases
June 30, 2019

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2018	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2019
Surveillance System	1.92%	\$ 122,130	\$ 50,250	\$ -	\$ 24,886	\$ 25,364
Installation of Access Points	1.82%	170,664	104,239		68,865	35,374
Chromebooks	1.90%	190,222	61,863		61,863	-
Energy Savings Improvement Program	2.38%	4,560,000	4,150,000		376,000	3,774,000
Technology Equipment	2.00%	78,893	52,073		52,073	-
Technology Equipment	3.25%	105,204		105,204	70,148	35,056
Technology Equipment	2.00%	285,880		285,880		285,880
Total			<u>\$ 4,418,425</u>	<u>\$ 391,084</u>	<u>\$ 653,835</u>	<u>\$ 4,155,674</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,849,788	\$ -	\$ 1,849,788	\$ 1,849,788	\$ -
Miscellaneous					-
Total revenues - local sources	<u>1,849,788</u>		<u>1,849,788</u>	<u>1,849,788</u>	
State sources:					
Debt service aid type II	381,536		381,536	381,536	
Total revenues - state sources	<u>381,536</u>		<u>381,536</u>	<u>381,536</u>	
Total Revenues	<u>2,231,324</u>		<u>2,231,324</u>	<u>2,231,324</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	1,655,000		1,655,000	1,655,000	
Interest on bonds	703,794		703,794	703,794	-
Total Expenditures	<u>2,358,794</u>		<u>2,358,794</u>	<u>2,358,794</u>	-
Excess (Deficiency) of revenues over (under) expenditures	(127,470)		(127,470)	(127,470)	
Other Financing Sources (Uses):					
Operating transfer in				4,080	4,080
Total Other Financing Sources (Uses)				<u>4,080</u>	<u>4,080</u>
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(127,470)		(127,470)	(123,390)	4,080
Fund Balances, July 1	<u>129,961</u>		<u>129,961</u>	<u>129,961</u>	
Fund Balances, June 30	<u>\$ 2,491</u>	<u>\$ -</u>	<u>\$ 2,491</u>	<u>\$ 6,571</u>	<u>\$ 4,080</u>

Statistical Section

Delran Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ (14,312,597)	\$ (967,535)	\$ 7,020,702	\$ 8,434,666	\$ 9,582,074	\$ 10,712,615	\$ 10,878,711	\$ 7,573,286	\$ 9,030,715	\$ 10,530,730
Restricted for:	-	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	-
Capital projects	21,479,919	9,217,174	2,507,499	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443
Debt service	(701,109)	(213,011)	184,770	16,772	498	1	38,111	165,581	129,961	6,571
Other purposes	3,875,254	2,529,736	3,466,309	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714
Unrestricted	(788,526)	(342,961)	(1,166,724)	(1,361,007)	(1,294,478)	(8,719,600)	(8,758,019)	(10,214,670)	(10,861,221)	(11,047,165)
Total governmental activities net position	<u>\$ 9,552,941</u>	<u>\$ 10,223,403</u>	<u>\$ 12,012,556</u>	<u>\$ 12,575,525</u>	<u>\$ 12,308,604</u>	<u>\$ 5,662,307</u>	<u>\$ 5,376,637</u>	<u>\$ 1,715,232</u>	<u>\$ 3,606,003</u>	<u>\$ 5,571,293</u>
Business-type activities:										
Net investment in capital assets	\$ 192,514	\$ 164,259	\$ 176,928	\$ 215,563	\$ 214,303	\$ 174,790	\$ 236,411	\$ 253,287	\$ 224,091	\$ 314,557
Unrestricted	330,327	408,582	411,440	391,787	477,672	393,459	416,701	516,167	573,706	568,549
Total business-type activities net position	<u>\$ 522,841</u>	<u>\$ 572,841</u>	<u>\$ 588,368</u>	<u>\$ 607,350</u>	<u>\$ 691,975</u>	<u>\$ 568,249</u>	<u>\$ 653,112</u>	<u>\$ 769,454</u>	<u>\$ 797,797</u>	<u>\$ 883,106</u>
District-wide:										
Net investment in capital assets	\$ (14,120,083)	\$ (803,276)	\$ 7,197,630	\$ 8,650,229	\$ 9,796,377	\$ 10,887,405	\$ 11,115,122	\$ 7,826,573	\$ 9,254,806	\$ 10,845,287
Restricted:	-	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	-
Capital projects	21,479,919	9,217,174	2,507,499	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443
Debt service	(701,109)	(213,011)	184,770	16,772	498	1	38,111	165,581	129,961	6,571
Other purposes	3,875,254	2,529,736	3,466,309	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714
Unrestricted	(458,199)	65,621	(755,284)	(969,220)	(816,806)	(8,326,141)	(8,341,318)	(9,698,503)	(10,287,515)	(10,478,616)
Total district net position	<u>\$ 10,075,782</u>	<u>\$ 10,796,244</u>	<u>\$ 12,600,924</u>	<u>\$ 13,182,875</u>	<u>\$ 13,000,579</u>	<u>\$ 6,230,556</u>	<u>\$ 6,029,749</u>	<u>\$ 2,484,686</u>	<u>\$ 4,403,800</u>	<u>\$ 6,454,399</u>

Delran Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 13,033,498	\$ 12,943,169	\$ 12,361,189	\$ 12,889,137	\$ 13,585,210	\$ 13,678,892	\$ 13,777,859	\$ 14,271,786	\$ 14,874,881	\$ 14,812,158
Special education	3,795,323	3,572,329	3,587,291	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935
Other instruction	1,187,641	1,101,835	1,128,614	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920
Support Services:										
Tuition	1,081,770	1,356,143	1,745,432	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482
Student & instruction related services	4,399,657	3,966,987	4,148,865	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726
School administrative services	1,336,227	1,356,442	1,432,907	1,630,873	1,567,995	1,536,975	1,523,544	1,536,303	1,446,260	1,538,027
General and business administrative services	1,545,657	1,400,947	1,407,930	1,390,571	1,491,862	1,461,655	1,334,095	1,333,872	1,258,288	1,273,087
Plant operations and maintenance	3,757,852	3,837,723	3,629,140	4,465,667	4,253,137	3,450,635	5,640,717	8,265,197	4,128,216	4,904,280
Pupil transportation	2,226,338	2,496,052	2,665,982	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489
Business and other support services										
Unallocated employee benefits	7,900,143	8,182,693	8,211,029	9,534,225	9,802,155	11,000,704	12,469,191	13,951,781	27,578,154	24,849,063
Special schools										
Charter schools									52,612	19,535
Interest on long-term debt	1,379,222	1,360,773	1,321,345	1,291,209	1,236,235	1,156,126	959,055	794,684	754,274	699,256
Unallocated depreciation	67,622	66,101	65,478	6,910	42,481	46,777	25,715	76,834	37,704	38,018
Total governmental activities expenses	<u>41,710,950</u>	<u>41,641,194</u>	<u>41,705,202</u>	<u>45,176,371</u>	<u>46,362,786</u>	<u>47,419,876</u>	<u>51,086,566</u>	<u>55,606,534</u>	<u>66,201,424</u>	<u>65,469,976</u>
Business-type activities:										
Food service	993,206	938,826	1,015,497	1,070,224	1,094,819	1,350,480	1,275,494	1,208,353	1,277,048	1,203,391
Total business-type activities expense	<u>993,206</u>	<u>938,826</u>	<u>1,015,497</u>	<u>1,070,224</u>	<u>1,094,819</u>	<u>1,350,480</u>	<u>1,275,494</u>	<u>1,208,353</u>	<u>1,277,048</u>	<u>1,203,391</u>
Total district expenses	<u>\$ 42,704,156</u>	<u>\$ 42,580,020</u>	<u>\$ 42,720,699</u>	<u>\$ 46,246,595</u>	<u>\$ 47,457,605</u>	<u>\$ 48,770,356</u>	<u>\$ 52,362,060</u>	<u>\$ 56,814,887</u>	<u>\$ 67,478,472</u>	<u>\$ 66,673,367</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 4,630,190	\$ 4,418,345	\$ 4,655,117	\$ 4,777,516	\$ 5,020,135	\$ 5,459,573	\$ 7,183,901	\$ 6,581,335	\$ 21,855,915	\$ 18,959,751
Total governmental activities program revenues	<u>4,630,190</u>	<u>4,418,345</u>	<u>4,655,117</u>	<u>4,777,516</u>	<u>5,020,135</u>	<u>5,459,573</u>	<u>7,183,901</u>	<u>6,581,335</u>	<u>21,855,915</u>	<u>18,959,751</u>

(Continued)

Delran Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Food service	\$ 732,684	\$ 697,438	\$ 703,921	\$ 668,896	\$ 703,279	\$ 718,271	\$ 753,121	\$ 766,428	\$ 755,057	\$ 760,328
Operating grants and contributions	311,084	287,425	324,993	417,918	478,165	508,483	546,300	558,267	550,334	528,372
Capital grants and contributions										
Total business type activities program revenues	<u>1,043,768</u>	<u>984,863</u>	<u>1,028,914</u>	<u>1,086,814</u>	<u>1,181,444</u>	<u>1,226,754</u>	<u>1,299,421</u>	<u>1,324,695</u>	<u>1,305,391</u>	<u>1,288,700</u>
Total district program revenues	<u>\$ 5,673,958</u>	<u>\$ 5,403,208</u>	<u>\$ 5,684,031</u>	<u>\$ 5,864,330</u>	<u>\$ 6,201,579</u>	<u>\$ 6,686,327</u>	<u>\$ 8,483,322</u>	<u>\$ 7,906,030</u>	<u>\$ 23,161,306</u>	<u>\$ 20,248,451</u>
Net (Expense)/Revenue:										
Governmental activities	(37,080,760)	(37,222,849)	(37,050,085)	(40,398,855)	(41,342,651)	(41,960,303)	(43,902,665)	(49,025,199)	(44,345,509)	(46,510,225)
Business-type activities	50,562	46,037	13,417	16,590	86,625	(123,726)	23,927	116,342	28,343	85,309
Total district-wide net expense	<u>(37,030,198)</u>	<u>(37,176,812)</u>	<u>(37,036,668)</u>	<u>(40,382,265)</u>	<u>(41,256,026)</u>	<u>(42,084,029)</u>	<u>(43,878,738)</u>	<u>(48,908,857)</u>	<u>(44,317,166)</u>	<u>(46,424,916)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	24,062,969	24,790,975	25,383,164	26,290,827	26,816,644	28,374,222	29,341,706	30,804,368	31,420,455	32,048,864
Taxes levied for debt service	1,061,880	2,084,404	1,864,473	1,942,891	2,090,932	2,051,483	2,054,177	2,075,461	1,965,232	1,849,788
Unrestricted grants and contributions	8,909,354	10,436,232	11,330,345	12,240,166	11,949,588	12,121,250	11,964,625	12,126,123	12,631,641	14,095,659
Investment earnings	376,633	249,539	45,436	103,035	104,203	-	-	-	-	-
Miscellaneous income	177,224	332,161	215,820	767,136	114,363	184,528	256,487	357,842	218,952	481,204
Transfers										
Total governmental activities	<u>34,588,060</u>	<u>37,893,311</u>	<u>38,839,238</u>	<u>41,344,055</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,616,995</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>
Business-type activities:										
Investment earnings	3,149	3,963	2,110	392	-	-	-	-	-	-
Contributed capital	-	-	-	-	-	-	60,936	-	-	-
Total business-type activities	<u>3,149</u>	<u>3,963</u>	<u>2,110</u>	<u>392</u>	<u>-</u>	<u>-</u>	<u>60,936</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>34,591,209</u>	<u>37,897,274</u>	<u>38,841,348</u>	<u>41,344,447</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,677,931</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>
Change in Net Position:										
Governmental activities	\$ (2,492,700)	\$ 670,462	\$ 1,789,153	\$ 945,200	\$ (266,921)	\$ 771,180	\$ (285,670)	\$ (3,661,405)	\$ 1,890,771	\$ 1,965,290
Business-type activities	53,711	50,000	15,527	16,982	86,625	(123,726)	84,863	116,342	28,343	85,309
Total district-wide	<u>\$ (2,438,989)</u>	<u>\$ 720,462</u>	<u>\$ 1,804,680</u>	<u>\$ 962,182</u>	<u>\$ (180,296)</u>	<u>\$ 647,454</u>	<u>\$ (200,807)</u>	<u>\$ (3,545,063)</u>	<u>\$ 1,919,114</u>	<u>\$ 2,050,599</u>

**Delran Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

Exhibit J-3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved for:										
Encumbrances	\$ 57,849	\$ 44,859	\$ 105,738	\$ 214,577	\$ 72,938	\$ 4,487	\$ 53,169	\$ 38,254	\$ 267,653	\$ 115,239
Maintenance reserve	300,000	300,000	300,000	300,000	156,325	156,325	156,325	156,325	457,232	859,884
Capital reserve	1,118,432	1,389,314	1,847,731	1,551,146	1,102,219	1,257,888	518,594	1,318,594	2,326,242	3,148,341
Legally restricted	247,093	600,000	400,000	909,015	621,248	701,580	675,000	675,000	333,991	708,044
Excess surplus	3,270,312	1,584,877	2,660,571	2,367,312	1,979,210	1,475,606	1,288,689	1,476,805	1,395,373	743,547
Unreserved	(176,790)	103,435	(33,044)	62,240	161,861	196,045	125,651	165,748	(165,137)	(272,245)
Total general fund	\$ 4,816,896	\$ 4,022,485	\$ 5,280,996	\$ 5,404,290	\$ 4,093,801	\$ 3,791,931	\$ 2,817,428	\$ 3,830,726	\$ 4,615,354	\$ 5,302,810
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 5,267,712	\$ 5,267,712	\$ 532,688	\$ 119,180	\$ 15,165	\$ -	\$ -	\$ 47,348	\$ -	\$ -
Debt service reserve										
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	2,560,148	2,560,148	127,080	23,864	73,405	73,405	526,057	478,709	526,057	506,102
Debt service fund	412,472	412,472	184,770	16,772	498	1	38,111	165,581	129,961	6,571
Total all other governmental funds	\$ 8,240,332	\$ 8,240,332	\$ 844,538	\$ 159,816	\$ 89,068	\$ 73,406	\$ 564,168	\$ 691,638	\$ 656,018	\$ 512,673

Delran Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	\$ 25,124,849	\$ 26,875,379	\$ 27,247,637	\$ 28,233,718	\$ 28,907,576	\$ 30,425,705	\$ 31,395,883	\$ 32,879,829	\$ 33,385,687	\$ 33,898,652
Tuition charges	7,929	17,962	45,436	103,035	104,203	85,960	119,734	111,891	39,298	60,249
Interest earnings	249,459	173,375	57,426	1,983	-	5,669	4,397	6,285	2,491	19,545
Miscellaneous	296,469	400,240	170,106	773,798	117,054	92,899	147,114	254,251	249,231	401,410
State sources	10,290,352	13,538,492	14,430,812	16,004,392	15,793,662	16,465,984	17,909,513	17,596,690	18,717,152	21,495,363
Federal sources	3,249,192	1,306,208	1,542,938	1,010,364	1,173,370	1,114,839	1,224,255	1,096,183	1,118,437	1,205,859
Total revenue	<u>39,218,250</u>	<u>42,311,656</u>	<u>43,494,355</u>	<u>46,127,290</u>	<u>46,095,865</u>	<u>48,191,056</u>	<u>50,800,896</u>	<u>51,945,129</u>	<u>53,512,296</u>	<u>57,081,078</u>
Expenditures										
Instruction										
Regular Instruction	13,133,971	12,219,571	11,896,904	12,259,661	12,877,848	13,026,318	13,151,593	13,732,319	14,299,393	14,296,065
Special education instruction	3,795,323	3,572,329	3,587,291	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935
Other instruction	1,187,641	1,101,835	1,128,614	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920
Support Services:										
Tuition	1,081,770	1,356,143	1,745,432	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482
Student & instruction related services	4,399,657	3,966,987	4,148,865	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726
School administrative services	1,336,227	1,356,442	1,407,930	1,533,690	1,567,995	1,536,975	1,523,544	1,457,422	1,446,260	1,538,027
General and business admin. services	1,466,900	1,325,230	1,358,437	1,390,571	1,396,782	1,368,100	1,247,661	1,333,872	1,182,879	1,197,051
Plant operations and maintenance	3,942,649	3,671,948	3,300,342	3,972,164	4,180,860	3,989,204	3,690,640	3,878,332	3,902,715	4,006,103
Pupil transportation	2,226,338	2,496,052	2,665,982	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489
Employee benefits	7,900,143	8,182,693	8,211,029	9,534,225	9,802,155	10,931,521	12,204,931	12,596,330	12,679,018	14,427,659
Charter School									52,612	19,535
Capital outlay	6,492,769	13,604,868	7,586,870	1,725,450	1,016,984	269,700	1,990,319	4,629,319	845,175	1,748,265
Debt service:										
Principal	1,164,415	1,929,409	1,344,788	1,301,769	1,354,515	1,330,000	1,385,000	1,720,000	1,595,000	1,655,000
Interest and other charges	360,116	936,725	1,249,154	1,291,209	1,236,234	1,181,170	1,276,516	640,690	768,094	703,794
Total expenditures	<u>48,487,919</u>	<u>55,720,232</u>	<u>49,631,638</u>	<u>46,976,518</u>	<u>47,817,084</u>	<u>48,721,100</u>	<u>51,826,594</u>	<u>55,364,361</u>	<u>52,842,181</u>	<u>56,928,051</u>
Excess (Deficiency) of revenues over (under) expenditures	(9,269,669)	(13,408,576)	(6,137,283)	(849,228)	(1,721,219)	(530,044)	(1,025,698)	(3,419,232)	670,115	153,027
Other Financing sources (uses)										
Proceeds from borrowing	25,858,000	-	-	-	-	-	24,609,674	4,560,000	-	-
Payment to escrow agent	-	-	-	-	-	-	(24,428,603)	-	-	-
Capital leases	473,178	-	-	287,800	339,982	212,512	360,886	-	78,893	391,084
Transfers in	487,257	168,493	16,271	495	-	-	1,039,294	-	2,491	4,080
Transfers out	(487,257)	(168,493)	(16,271)	(495)	-	-	(1,039,294)	-	(2,491)	(4,080)
Total other financing sources (uses)	<u>26,331,178</u>	<u>-</u>	<u>-</u>	<u>287,800</u>	<u>339,982</u>	<u>212,512</u>	<u>541,957</u>	<u>4,560,000</u>	<u>78,893</u>	<u>391,084</u>
Net change in fund balances	<u>\$ 17,061,509</u>	<u>\$ (13,408,576)</u>	<u>\$ (6,137,283)</u>	<u>\$ (561,428)</u>	<u>\$ (1,381,237)</u>	<u>\$ (317,532)</u>	<u>\$ (483,741)</u>	<u>\$ 1,140,768</u>	<u>\$ 749,008</u>	<u>\$ 544,111</u>
Debt service as a percentage of noncapital expenditures	3.63%	6.81%	6.17%	5.73%	5.54%	5.18%	5.34%	4.65%	4.54%	4.27%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Delran Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Other Refunds</u>	<u>Shared Services</u>	<u>Sale of Used Equipment</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	\$ 127,174	\$ 7,929	\$ 16,227	\$ 81,676	\$ 5,986	\$ 49,491	\$ -	\$ -	\$ 6,329	\$ 294,812
2011	81,046	17,962	26,480	172,231	21,476	62,305			31,707	413,207
2012	35,355	45,436	30,863	73,824	30,352	17,256			6,099	239,185
2013	9,006	103,035	94,364	616,259	26,157	19,020			1,835	869,676
2014	6,315	104,203	14,286	44,135	10,012	18,240	15,000		6,375	218,566
2015	5,669	85,960	22,808	6,271	15,859	14,859	4,167	6,772	22,163	184,528
2016	4,397	119,734		7,430	20,338	93,338		2,359	798	248,394
2017	6,285	111,891	31,791	38,204	32,105	103,725		21,685	3,306	348,992
2018	16,642	39,298		45,282	55,354	48,311		11,061	863	216,811
2019	19,545	60,249		9,060	18,875	3,080			26,528	137,337
	<u>\$ 208,220</u>	<u>\$ 71,327</u>	<u>\$ 73,570</u>	<u>\$ 81,676</u>	<u>\$ 27,462</u>	<u>\$ 49,491</u>	<u>\$ 19,167</u>	<u>\$ -</u>	<u>\$ 6,329</u>	<u>\$ 294,812</u>

Source: District records

Delran Township School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2010	\$ 11,141,100	\$1,209,484,800	\$ 2,567,800	\$ 157,500	\$ 181,397,500	\$ 99,666,400	\$ 60,038,300	\$1,564,453,400	\$ 2,217,978	\$1,566,671,378	\$ 94,488,000	\$ 1.659	\$ 1,847,618,019
2011	11,153,500	1,207,677,800	2,567,800	157,500	182,561,200	98,921,200	60,038,300	1,563,077,300	1,938,751	1,565,016,051	94,152,600	1.730	1,786,214,752
2012	8,652,500	1,077,936,200	2,079,700	176,400	170,578,392	93,005,700	54,979,400	1,407,408,292	2,167,078	1,409,575,370	94,024,900	1.954	1,676,731,931
2013	8,661,300	1,078,760,400	2,079,700	176,400	170,339,392	91,643,700	54,979,400	1,406,640,292	1,793,488	1,408,433,780	92,892,800	2.042	1,595,150,639
2014	8,788,000	1,077,322,500	2,101,800	165,100	169,197,092	88,908,700	55,459,400	1,401,942,592	1,428,041	1,403,370,633	101,459,700	2.113	1,556,849,076
2015	8,788,000	1,077,316,900	2,101,800	165,100	169,007,792	86,908,700	55,459,400	1,399,747,692	100	1,399,747,792	101,847,100	2.209	1,538,686,754
2016	13,182,000	1,077,929,700	1,358,000	63,600	168,505,292	84,813,300	55,669,400	1,401,521,292	94	1,401,521,386	102,348,400	2.294	1,501,077,722
2017	13,413,500	1,078,777,900	992,100	50,300	177,038,792	81,554,500	55,699,400	1,407,526,492	94	1,407,526,586	102,106,800	2.353	1,482,302,876
2018	12,164,300	1,084,555,700	776,600	46,300	176,468,292	81,554,500	56,089,400	1,411,655,092	90	1,411,655,182	102,779,100	2.383	1,575,402,048
2019	9,678,200	1,090,558,700	776,600	46,300	177,248,692	81,054,500	56,284,400	1,415,647,392	90	1,415,647,482	104,504,300	2.422	1,600,293,008

Source: Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- c Information not available.

**Delran Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Delan School District Direct Rate			Overlapping Rates		Municipal Open Space	Fire District	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Delran	Burlington County			
2010	\$ 1.559	\$ 0.100	\$ 1.659	\$ 0.669	\$ 0.449	\$ 0.020	\$ 0.108	\$ 2.905
2011	1.604	0.126	1.730	0.683	0.433	0.020	0.114	2.980
2012	1.819	0.135	1.954	0.744	0.452	0.023	0.127	3.300
2013	1.899	0.143	2.042	0.756	0.431	0.023	0.134	3.386
2014	1.966	0.147	2.113	0.756	0.425	0.023	0.133	3.450
2015	2.062	0.147	2.209	0.765	0.455	0.023	0.155	3.607
2016	2.147	0.147	2.294	0.764	0.437	0.023	0.150	3.668
2017	2.209	0.144	2.353	0.761	0.429	0.023	0.157	3.723
2018	2.248	0.135	2.383	0.772	0.447	0.023	0.158	3.783
2019	2.287	0.135	2.422	0.791	0.451	0.022	0.161	3.847

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b** Rates for debt service are based on each year's requirements.

**Delran Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 40,567,500	2.87%	Hunter's Glen Apartments	\$ 53,789,100	3.43%
New Jersey American Water Co.	26,421,800	1.87%	Whitesell Enterprises	30,095,400	1.92%
Whitesell Enterprises	25,036,300	1.77%	New Jersey American Water Co.	28,433,000	1.81%
Hartford Corners	24,359,800	1.72%	Hartford Centers	25,624,700	1.64%
Simon & Schuster	20,900,000	1.48%	Tenby Chase Investors, LLC	18,188,300	1.16%
Tenby Chase Investors, LLC	16,460,400	1.16%	Simon & Schuster	15,820,300	1.01%
GPT Cinnaminson Owners	10,500,000	0.74%	Ball Plaster Container	15,742,900	1.00%
Target	9,598,900	0.68%	Berk & Berk Swedes Run, LLC	10,433,400	0.67%
Lowe's	9,096,200	0.64%	Lowe's	9,666,300	0.62%
Millside Plaza	7,729,400	0.55%	KIOP Delran	8,493,800	0.54%
Total	\$ 190,670,300	13.47%		\$ 216,287,200	13.81%

Source: Municipal Tax Assessor

**Delran Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 24,602,038	\$ 24,602,038	100.00%	-
2011	26,000,114	26,000,114	100.00%	-
2012	27,061,508	27,061,508	100.00%	-
2013	28,233,718	28,233,718	100.00%	-
2014	28,907,576	28,907,576	100.00%	-
2015	30,425,705	30,425,705	100.00%	-
2016	31,395,883	31,395,883	100.00%	-
2017	32,879,829	32,879,829	100.00%	-
2018	33,385,687	33,385,687	100.00%	-
2019	33,898,652	33,898,652	100.00%	-

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

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Delran Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Capital Leases	EDA Loans	Capital Leases			
2010	33,483,000	787,700	302,162	-	34,572,862	4.22%	2,041
2011	32,618,000	286,501	230,437	-	33,134,938	3.92%	1,956
2012	31,443,000	104,872	156,283	-	31,704,155	3.67%	1,874
2013	30,218,000	79,189	79,514	-	30,376,703	3.51%	1,806
2014	28,943,000	418,281	-	-	29,361,281	3.27%	1,748
2015	27,613,000	458,875	-	-	28,071,875	3.00%	1,681
2016	27,105,000	620,194	-	-	27,725,194	2.91%	1,673
2017	25,385,000	4,934,594	-	-	30,319,594	3.07%	1,834
2018	23,790,000	4,418,425	-	-	28,208,425	c	1,707
2019	22,135,000	4,155,674	-	-	26,290,674	c	c

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

- a Based on Per Capita Income for Burlington County
- b Based on School District Population as of July 1.
- c Not available

Delran Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 33,483,000	\$ -	\$ 33,483,000	2.14%	1,977
2011	32,618,000	-	32,618,000	2.08%	1,926
2012	31,443,000	-	31,443,000	2.23%	1,859
2013	30,218,000	-	30,218,000	2.15%	1,797
2014	28,943,000	-	28,943,000	2.06%	1,723
2015	27,613,000	-	27,613,000	1.97%	1,654
2016	27,105,000	-	27,105,000	1.93%	1,635
2017	25,385,000	-	25,385,000	1.80%	1,536
2018	23,790,000	-	23,790,000	1.69%	1,440
2019	22,135,000	-	22,135,000	1.56%	c

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

a See Exhibit J-6 for property tax data.

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

c Information not available.

**Delran Township School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2018**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 16,096,469	100.000%	\$ 16,096,469
Burlington County General Obligation Debt	253,458,314	3.324%	8,424,954
			<hr/>
Subtotal, overlapping debt			24,521,423
Delran Township School District Direct Debt			<u>22,430,000</u>
Total direct and overlapping debt			<u><u>\$ 46,951,423</u></u>

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

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

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

**Delran Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized valuation basis	
	2016	\$ 1,470,364,343
	2017	1,565,309,711
	2018	1,590,059,802
	[A]	<u>\$ 4,625,733,856</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,541,911,285
Debt limit (4% of average equalized valuation)	[B]	61,676,451 ^a
Net bonded school debt	[C]	<u>22,135,000</u>
Legal debt margin	[B-C]	<u>\$ 39,541,451</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 73,785,280	\$ 72,946,567	\$ 70,327,689	\$ 67,043,440	\$ 64,058,599	\$ 62,349,753	\$ 61,096,160	\$ 59,979,326	\$ 60,385,300	\$ 61,676,451
Total net debt applicable to limit	<u>33,483,000</u>	<u>32,618,000</u>	<u>31,443,000</u>	<u>30,218,000</u>	<u>28,943,000</u>	<u>27,613,000</u>	<u>27,105,000</u>	<u>25,385,000</u>	<u>23,790,000</u>	<u>22,135,000</u>
Legal debt margin	<u>\$ 40,302,280</u>	<u>\$ 40,328,567</u>	<u>\$ 38,884,689</u>	<u>\$ 36,825,440</u>	<u>\$ 35,115,599</u>	<u>\$ 34,736,753</u>	<u>\$ 33,991,160</u>	<u>\$ 34,594,326</u>	<u>\$ 36,595,300</u>	<u>\$ 39,541,451</u>
Total net debt applicable to the limit as a percentage of debt limit	45.38%	44.71%	44.71%	45.07%	45.18%	44.29%	44.36%	42.32%	39.40%	35.89%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Delran Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2010	16,938	\$ 819,375,750	\$ 48,375	7.5%
2011	16,936	846,308,856	49,971	7.3%
2012	16,915	863,037,130	51,022	7.2%
2013	16,819	866,111,224	51,496	8.2%
2014	16,800	898,615,200	53,489	5.4%
2015	16,698	935,421,960	56,020	4.1%
2016	16,573	952,433,737	57,469	3.9%
2017	16,529	986,103,611	59,659	3.6%
2018	16,524	e	e	3.5%
2019	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development.
- ^b Personal income for Delran Township.
- ^c Per Capita for Burlington County.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- ^e Not available.

**Delran Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Years**

Exhibit J-16

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	204	193	196	196	205	208	211	214	222	222
Special education	27	26	31	31	34	40	41	43	43	43
Other special education	22	12	12	13	13	10	10	10	9	9
Support Services:										
Student & instruction related services	48	75	74	76	80	80	76	79	81	81
School administrative services	17	17	17	17	17	20	20	20	20	20
General and business administrative services	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	13	12	12	12	12	12	12	12	11	11
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	7	9	9	9	9	9	8	9	9	9
Total	343	349	356	359	375	384	383	392	400	400

Source: District Personnel Records

Delran Township School District
 Operating Statistics,
 Last Ten Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	Senior High School				
2010	2,984	\$ 40,470,619	\$ 13,563	3.42%	253	1:16	1:14	1:11	1:12	2,935	2,848	1.52%	97.04%
2011	2,955	39,249,230	13,282	-2.07%	231	1:16	1:14	1:11	1:11	2,914	2,831	-0.72%	97.15%
2012	2,938	39,450,826	13,428	1.10%	239	1:16	1:14	1:11	1:11	2,893	2,812	-0.72%	97.20%
2013	2,887	42,658,090	14,776	10.04%	240	1:16	1:14	1:11	1:11	2,838	2,754	-1.90%	97.04%
2014	2,950	44,209,351	14,986	1.42%	252	1:16	1:14	1:11	1:11	2,956	2,826	4.16%	95.60%
2015	2,980	45,940,230	15,416	2.87%	258	1:16	1:14	1:11	1:11	2,979	2,840	0.78%	95.33%
2016	3,018	47,174,159	15,631	1.39%	262	1:16	1:14	1:11	1:11	3,020	2,888	1.38%	95.63%
2017	2,986	48,374,352	16,200	3.64%	267	1:16	1:14	1:11	1:11	2,982	2,841	-1.26%	95.27%
2018	2,937	49,633,912	16,900	4.32%	274	1:16	1:14	1:11	1:11	2,946	2,811	-1.21%	95.42%
2019	2,961	52,820,992	17,839	5.56%	274	1:16	1:14	1:11	1:11	2,960	2,843	0.48%	96.05%

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).

**Delran Township School District
School Building Information
Last Nine Fiscal Years**

Exhibit J-18

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District Building										
<u>Elementary</u>										
Delran High School (1975)										
Square Feet	147,355	147,355	147,355	158,436	158,436	158,436	158,436	158,436	158,436	158,436
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	900	877	867	819	842	851	884	890	879	915
Delran Middle School (1960)										
Square Feet	87,800	87,800	87,800	100,851	100,851	100,851	100,851	100,851	100,851	100,851
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	652	661	672	691	690	691	723	714	734	692
Delran Intermediate School (1996)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	745	745	745	745	745	745	745	745	745	745
Enrollment	655	663	668	694	689	695	660	704	682	695
Millbridge Elementary School (1970)										
Square Feet	74,074	74,074	74,074	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	945	945	945	945	945	945	945	945	945	945
Enrollment	728	713	686	634	735	741	753	674	651	658

Number of Schools at June 30, 2019

- Elementary = 2
- Middle School = 1
- High School = 1

Source: District Facilities Office

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

**Delran Township School District
Schedule of Required Maintenance
Last Ten Years**

Exhibit J-19

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

* School Facilities	Project #	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Delran School District												
Millbridge School	N/A	\$ 229,153	\$ 146,740	\$ 139,392	\$ 225,170	\$ 255,682	\$ 203,415	\$ 180,695	\$ 191,295	\$ 193,469	\$ 168,971	\$ 1,933,982
Intermediate School	N/A	194,780	124,729	118,483	191,395	217,330	172,902	153,591	162,601	164,449	143,625	1,643,885
Middle School	N/A	274,984	176,088	167,270	270,204	306,818	244,098	216,834	229,554	232,163	202,765	2,320,778
High School	N/A	446,850	286,142	271,815	439,081	498,580	396,658	352,356	373,026	377,264	329,494	3,771,266
Total School Facilities		<u>\$ 1,145,767</u>	<u>\$ 733,699</u>	<u>\$ 696,960</u>	<u>\$ 1,125,850</u>	<u>\$ 1,278,410</u>	<u>\$ 1,017,073</u>	<u>\$ 903,476</u>	<u>\$ 956,476</u>	<u>\$ 967,345</u>	<u>\$ 844,855</u>	<u>\$ 9,669,911</u>

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

**Delran Township School District
Insurance Schedule
June 30, 2019**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Company		
Commercial Package:		
Building and Contents	\$ 109,402,962	\$ 1,000
School Board Legal Liability	1,000,000	10,000
Commercial Crime/ Blanket Employee Dishonesty	400,000	
Umbrella Declarations	15,000,000	10,000
Excess Umbrella - Toras National Insurance Company	30,000,000	
Worker's Compensation - New Jersey School Board	2,000,000	
Student Accident Insurance - US Fire Insurance Company	6,000,000	
Student Accident Base - Arch Insurance Company	500,000	
Surety Bond Coverage's - RLI Insurance Co.		
Treasurer	350,000	
School Business Administrator	350,000	

Source: District records

Single Audit Section

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 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Delran Township School District
 County of Burlington
 Delran Township, New Jersey

Report on Compliance for Each Major Federal and State Program

I have audited Delran Township School District's (School District), in the County of Burlington, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State 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, 2019. 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.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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*. Those standards, the Uniform Guidance and State of New Jersey Circular 15-08-OMB require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Delran Township School District, in the County of Burlington, State of New Jersey 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 fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Delran Township School District, in the County of Burlington, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Delran Township School District's internal control over compliance.

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

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

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 20, 2019

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2018			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2019		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education																
<u>General Fund:</u>																
Medical Assistance Program - (SEMI)	93.778	1905NJ5MAP	N/A	\$ 56,117	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ 56,117	\$ (56,117)	\$ -	\$ -	\$ -	\$ -	
Total General Fund						-	-	-	-	56,117	(56,117)	-	-	-	-	
U.S. Department of Education																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I - Current Year	84.010A	S010A180030	ESSA-1060-19	399,629	7/1/18 - 6/30/19					266,415	(357,791)			(91,376)		
Title I - Prior Year	84.010A	S010A170030	ESSA-1060-18	453,626	7/1/17 - 6/30/18	(334,750)				334,750				-		
Title IIA - Current Year	84.367A	S367A180029	ESSA-1060-19	58,581	7/1/18 - 6/30/19					27,418	(32,351)			(4,933)		
Title IIA - Prior Year	84.367A	S367A170029	ESSA-1060-18	61,051	7/1/17 - 6/30/18	(37,736)				37,736				-		
Title III - Current Year	84.365A	S365A180030	ESSA-1060-19	80,886	7/1/18 - 6/30/19					15,325	(28,257)			(12,932)		
Title III - Prior Year	84.365A	S365A170030	ESSA-1060-18	62,223	7/1/17 - 6/30/18	(16,420)				16,420				-		
Title III - Current Year - Immigrant	84.365A	S365A180030	ESSA-1060-19	11,791	7/1/18 - 6/30/19					818	(1,320)			(502)		
Title III - Prior Year - Immigrant	84.365A	S365A170030	ESSA-1060-18	11,628	7/1/17 - 6/30/18	(5,448)				5,448				-		
Title IV - Current Year	84.424	S424A180031	ESSA-1060-19	27,077	7/1/18 - 6/30/19					3,054	(11,824)			(8,770)		
Title IV - Prior Year	84.424	S424A170031	ESSA-1060-18	10,000	7/1/17 - 6/30/18	(2,769)				2,769				-		
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																
Part B - Basic - Current Year	84.027	H027A180100	IDEA-1060-19	654,574	7/1/18 - 6/30/19					191,076	(649,689)			(458,613)		
Part B - Basic - Prior Year	84.027	H027A170100	IDEA-1060-18	665,926	7/1/17 - 6/30/18	(646,523)				664,304	(17,781)			-		
Part B - Preschool - Current Year	84.173	H173A180114	IDEA-1060-19	23,382	7/1/18 - 6/30/19						(23,382)			(23,382)		
Part B - Preschool - Prior Year	84.173	H173A170114	IDEA-1060-18	30,527	7/1/17 - 6/30/18	(3,180)				30,527	(27,347)			-		
Total Special Revenue Fund						(1,046,826)	-	-	-	1,596,060	(1,149,742)	-	-	(600,508)	-	
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	191NJ304N1099	N/A	80,714	7/1/18 - 6/30/19					80,714	(80,714)					
National School Lunch Program	10.555	191NJ304N1099	N/A	343,075	7/1/18 - 6/30/19					324,087	(343,075)			(18,988)		
National School Lunch Program	10.555	181NJ304N1099	N/A	342,596	7/1/17 - 6/30/18	(12,010)				12,010				-		
School Breakfast Program	10.553	191NJ304N1099	N/A	92,009	7/1/18 - 6/30/19					84,979	(92,009)			(7,030)		
School Breakfast Program	10.553	181NJ304N1099	N/A	95,633	7/1/17 - 6/30/18	(6,129)				6,129				-		
Total Enterprise Fund						(18,139)	-	-	-	507,919	(515,798)	-	-	(26,018)	-	
Total Federal Awards						\$ (1,064,965)	\$ -	\$ -	\$ -	\$ 2,160,096	\$ (1,721,657)	\$ -	\$ -	\$ (626,526)	\$ -	

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

DELTRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2019

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2018			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2019		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
State Department of Education														
<u>General Fund:</u>														
Equalization Aid	19-495-034-5120-078	\$ 10,617,062	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,622,059	\$ (10,617,062)	\$ -	\$ (995,003)	\$ -	\$ -
Equalization Aid	18-495-034-5120-078	10,451,665	7/1/17 - 6/30/18	(985,869)	-	-	-	-	985,869	-	-	-	-	-
Transportation Aid	19-495-034-5120-014	516,610	7/1/18 - 6/30/19	-	-	-	-	-	468,195	(516,610)	-	(48,415)	-	-
Transportation Aid	18-495-034-5120-014	136,244	7/1/17 - 6/30/18	(12,851)	-	-	-	-	12,851	-	-	-	-	-
Special Education Categorical Aid	19-495-034-5120-089	2,561,908	7/1/18 - 6/30/19	-	-	-	-	-	2,321,813	(2,561,908)	-	(240,095)	-	-
Special Education Categorical Aid	18-495-034-5120-089	1,736,961	7/1/17 - 6/30/18	(163,841)	-	-	-	-	163,841	-	-	-	-	-
Security Aid	19-495-034-5120-084	418,930	7/1/18 - 6/30/19	-	-	-	-	-	379,669	(418,930)	-	(39,261)	-	-
Security Aid	18-495-034-5120-084	88,152	7/1/17 - 6/30/18	(8,315)	-	-	-	-	8,315	-	-	-	-	-
Under Adequacy Aid	18-495-034-5120-096	14,105	7/1/17 - 6/30/18	(1,330)	-	-	-	-	1,330	-	-	-	-	-
PARCC Readiness Aid	18-495-034-5120-098	29,660	7/1/17 - 6/30/18	(2,798)	-	-	-	-	2,798	-	-	-	-	-
Per Pupil Growth Aid	18-495-034-5120-097	29,660	7/1/17 - 6/30/18	(2,798)	-	-	-	-	2,798	-	-	-	-	-
Professional Learning Community Aid	18-495-034-5120-101	30,550	7/1/17 - 6/30/18	(2,882)	-	-	-	-	2,882	-	-	-	-	-
Host District Support Aid	18-495-034-5120-102	679	7/1/17 - 6/30/18	(64)	-	-	-	-	64	-	-	-	-	-
Extraordinary Aid	19-495-034-5120-044	38,785	7/1/18 - 6/30/19	-	-	-	-	-	-	(387,385)	-	(387,385)	-	-
Extraordinary Aid	18-495-034-5120-044	129,692	7/1/17 - 6/30/18	(129,692)	-	-	-	-	129,692	-	-	-	-	-
Additional Nonpublic Transportation Aid	19-04103190	19,430	7/1/18 - 6/30/19	-	-	-	-	-	-	(19,430)	-	(19,430)	-	-
Additional Nonpublic Transportation Aid	18-04103190	16,240	7/1/17 - 6/30/18	(16,240)	-	-	-	-	16,240	-	-	-	-	-
On Behalf TPAF - Pension	19-495-034-5094-002	3,543,981	7/1/18 - 6/30/19	-	-	-	-	-	3,543,981	(3,543,981)	-	-	-	-
On Behalf TPAF - Post Retirement Medical	19-495-034-5094-001	1,607,544	7/1/18 - 6/30/19	-	-	-	-	-	1,607,544	(1,607,544)	-	-	-	-
On Behalf TPAF - Pension LTDI	19-495-034-5094-004	3,520	7/1/18 - 6/30/19	-	-	-	-	-	3,520	(3,520)	-	-	-	-
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	1,424,313	7/1/18 - 6/30/19	-	-	-	-	-	1,424,313	(1,424,313)	-	-	-	-
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	1,382,609	7/1/17 - 6/30/18	(67,885)	-	-	-	-	67,885	-	-	-	-	-
Total General Fund				(1,394,565)	-	-	-	-	20,765,659	(21,100,683)	-	(1,729,589)	-	-
<u>Special Revenue Fund</u>														
<u>N.J. Nonpublic Aid:</u>														
Textbook Aid	19-100-034-5120-064	23,016	7/1/18 - 6/30/19	-	-	-	-	-	23,016	(13,319)	-	-	-	9,697
Textbook Aid	18-100-034-5120-064	25,746	7/1/17 - 6/30/18	-	-	-	-	-	-	-	6,884	-	-	-
Nursing Aid	19-100-034-5120-070	42,001	7/1/18 - 6/30/19	-	-	-	-	-	42,001	(42,001)	-	-	-	-
Technology Initiative	19-100-034-5120-373	15,516	7/1/18 - 6/30/19	-	-	-	-	-	15,516	(14,820)	-	-	-	696
Technology Initiative	18-100-034-5120-373	17,390	7/1/17 - 6/30/18	-	-	-	-	-	-	-	829	-	-	-
Security Aid	19-100-034-5120-509	64,950	7/1/18 - 6/30/19	-	-	-	-	-	64,950	(56,890)	-	-	-	8,060
Security Aid	18-100-034-5120-509	35,475	7/1/17 - 6/30/18	-	-	-	-	-	-	-	2,409	-	-	-
<u>Auxiliary Services:</u>														
Compensatory Education	19-100-034-5120-067	70,220	7/1/18 - 6/30/19	-	-	-	-	-	70,220	(12,267)	-	-	-	57,953
Compensatory Education	18-100-034-5120-067	58,465	7/1/17 - 6/30/18	-	-	-	-	-	-	-	9,392	-	-	-
English as a Second Language	19-100-034-5120-067	12,079	7/1/18 - 6/30/19	-	-	-	-	-	12,079	-	-	-	-	12,079
English as a Second Language	18-100-034-5120-067	17,164	7/1/17 - 6/30/18	-	-	-	-	-	-	-	11,925	-	-	-
<u>Handicapped Services:</u>														
Examination & Classification	19-100-034-5120-066	37,500	7/1/18 - 6/30/19	-	-	-	-	-	37,500	(15,843)	-	-	-	21,657
Examination & Classification	18-100-034-5120-066	38,595	7/1/17 - 6/30/18	-	-	-	-	-	-	-	15,285	-	-	-
Corrective Speech	19-100-034-5120-066	6,250	7/1/18 - 6/30/19	-	-	-	-	-	6,250	-	-	-	-	6,250
Corrective Speech	18-100-034-5120-066	8,928	7/1/17 - 6/30/18	-	-	-	-	-	-	-	8,928	-	-	-
Supplemental Instruction	19-100-034-5120-066	30,925	7/1/18 - 6/30/19	-	-	-	-	-	30,925	-	-	-	-	30,925
Supplemental Instruction	18-100-034-5120-066	34,890	7/1/17 - 6/30/18	-	-	-	-	-	-	-	34,890	-	-	-
Total Special Revenue Fund				-	-	90,542	-	-	302,457	(155,140)	90,542	-	-	147,317

Continued

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2019

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2018			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2019		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
New Jersey School Development Authority														
<u>Capital Projects Fund</u>														
Middle School Roof Replacement	1060-007-14-1002	\$ 948,028	7/1/14 - 6/30/15	\$ (302,451)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (302,451)	\$ -	\$ -
<u>Debt Service Fund</u>														
Debt Service Aid Type II	19-495-034-5120-017	381,536	7/1/18 - 6/30/19	-	-	-	-	381,536	(381,536)	-	-	-	-	-
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	19-100-010-3350-023	12,574	7/1/18 - 6/30/19					11,877	(12,574)			(697)		
State School Lunch Program	18-100-010-3350-023	12,497	7/1/17 - 6/30/18	(435)				435						
Total Enterprise Fund				(435)	-	-	-	12,312	(12,574)	-	-	(697)	-	-
Total State Financial Assistance				<u>\$ (1,697,451)</u>	<u>\$ -</u>	<u>\$ 90,542</u>	<u>\$ -</u>	<u>\$ 21,461,964</u>	<u>\$ (21,649,933)</u>	<u>\$ 90,542</u>	<u>\$ (2,032,737)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,317</u>
Less: State Financial Expenditures Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted) (3,543,981)														
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) (1,607,544)														
On-Behalf TPAF Contribution - Pension LTDI (Non-Budgeted) (3,520)														
Total State Financial Expenditures Subject to Major Program Determination <u>\$ (16,494,888)</u>														

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

Delran Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Delran Township School District ("School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *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 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 the 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 of the 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 June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$141,996) in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 56,117	\$ 20,958,687	\$ 21,014,804
Special Revenue	1,149,742	155,140	1,304,882
Debt Service		381,536	381,536
Food Service	515,798	12,574	528,372
Total	<u>\$ 1,721,657</u>	<u>\$ 21,507,937</u>	<u>\$ 23,229,594</u>

**Delran Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019
(Continued)**

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2019. 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, 2019.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weaknesses identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? X yes no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>191NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>191NJ304N1099</u>	<u>National School Lunch Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>19-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>19-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
<u>19-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
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<u> </u>	<u> </u>

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section 2 -- Schedule of Financial Statement Findings

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

Finding #2019-001

Criteria or specific requirement:

A School Food Services Fund is required to maintain a nonprofit status. The nonprofit status of the School Food Service is determined by evaluating net cash resources. Net cash resources may not exceed three months average expenditures.

Condition:

Net cash resources exceeded three months average expenditures.

Context:

Net cash resources exceeded three months average expenditures by \$197,982.

Effect:

In violation of nonprofit regulations.

Cause:

Revenues exceeded operating expenditures in the current year.

Recommendation:

That every effort be made to reduce the net cash resources of the food service fund below three months average expenditures.

View of Responsible Officials and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 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 Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding #2018-001

Condition:

The district did not maintain a payroll agency analysis as part of its payroll agency account reconciliation process. This resulted in an accumulation of funds in this account that did not agree with liabilities subsequently paid to payroll agencies resulting in unidentified funds in the payroll agency account.

Current Status:

This condition has been corrected.

Finding #2018-002

Condition:

Net cash resources exceeded three months average expenditures.

Current Status:

This condition has not been corrected. See finding number 2019-001.

Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding #2018-003

Condition:

Cash reconciliations for the Intermediate School Activity Fund and Middle School Athletic Fund were not prepared timely or accurately.

Current Status:

This condition has been corrected.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.