

**SCHOOL DISTRICT  
OF  
DELTRAN TOWNSHIP**

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012**

# **Comprehensive Annual Financial Report**

**of the**

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

**For the Fiscal Year Ended June 30, 2012**

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  
(856) 461-6800

Dr. Patricia Camp – Superintendent of Schools  
Dr. Christopher J. Russo – Business Administrator  
Dr. Alan Elstein – Director of Pupil Personnel Services  
Ms. Linda Gringeri – Director of Curriculum & Instruction



September 5, 2012

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, 2012 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 Single Audit Act of 1984 and the US Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". 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 11-12 fiscal year with an average daily enrollment of 2,983 students, which is 69 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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	2,983	2.37%
2010-11	2,914	-.17%
2009-10	2,935	1.52%
2008-09	2,891	1.12%
2007-08	2,859	1.60%
2006-07	2,814	0.32%
2005-06	2,805	1.33%
2004-05	2,768	0.14%
2003-04	2,764	4.73%
2002-03	2,639	5.43%

**2) ECONOMIC CONDITION AND OUTLOOK:** There was no noticeable residential or commercial growth during the year. Enrollment increased by 69 students which was the largest increase in several years and following a decrease in the previous year.

**3) MAJOR INITIATIVES:** The fiscal year ended the first full-year for the new superintendent. Kindergarten is still a ½ day program which was reduced from full-day during the 10-11 budget cuts. The ongoing evaluation of this cut continues. During the 11-12 year the Board of Education voted to present a separate question on the November 2012 ballot asking for \$400,000 to restore the program. The tax impact on the average assessed home would be \$29.70 per year. The Board of Education accepted the new law regarding the elimination of the public vote on a budget that is within the 2% statutory tax levy cap during the year. In the 12-13 budget the middle school "Teaming" concept will return with replacement of three teachers to that building. Afterschool instructional support programs will continue for the 12-13 school for the elementary aged children. Funding for this program is through Federal grants. Integrated thematic instruction continues in grades K-8. The high school schedule is being reviewed for possible

revisions including a modified block system. Further research is needed. Finally a new high school principal was hired and the district is looking forward to his leadership at that level.

**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, 2012.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governments Accounting Standards Board (GASB). The accounting system of the District is 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.

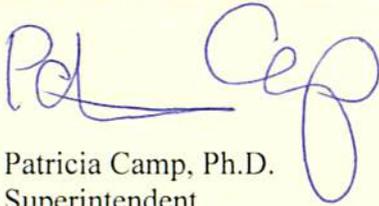
**8) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

**9) OTHER INFORMATION:**

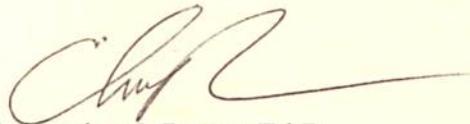
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, CPA's, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB-133 and NJOMB Circular Letter 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**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,

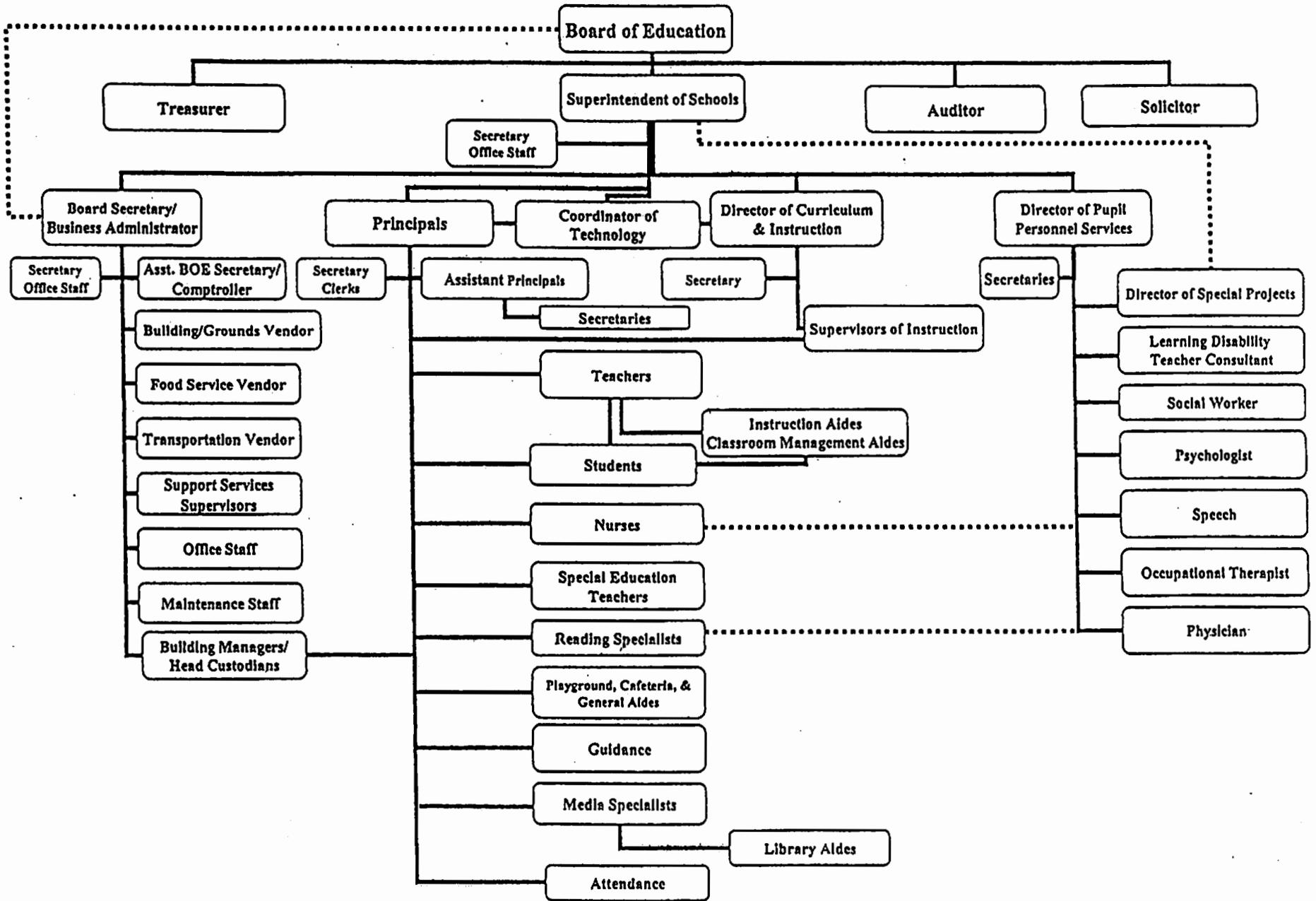


Patricia Camp, Ph.D.  
Superintendent



Christopher J. Russo, Ed.D.  
Board Secretary/Business Administrator

**DELTRAN BOARD OF EDUCATION  
Organizational Chart**



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

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lynn R. Jeney, President	2012
Stella I. Crawford, Vice-President	2012
Ingar Blossfelds	2013
Amy Rafanello	2013
Sheri Sheeran-Garvey	2014
Kathleen Hammitt	2014
Nancy C. Keegan	2012
Joan McHugh	2013
Diane M. Zierler	2014

**Other Officials**

Patricia Camp, Ph.D. Superintendent  
Christopher Russo, Ed.D. Board Secretary &  
School Business Administrator  
Dorthea Jones, Treasurer  
Arthur F. Risdien, Solicitor

**DELRAN TOWNSHIP SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
12000 Lincoln Drive West, Suite 402  
Marlton, NJ 08053

**Attorney**

Comegno Law Group, ESQ.  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

**Architect**

Kanalstein, Danton & Johns  
1940 East Marlton Pike  
Cherry Hill, NJ 08003

**Official Depository**

Beneficial Bank  
530 Walnut Street  
Philadelphia, PA 19106

**Financial Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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Marlton, New Jersey 08053  
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-Member of-  
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 Township, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2012 on our consideration of the Delran Township School District, in the County of Burlington, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 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 accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
September 5, 2012

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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-Member of-  
American Institute of CPAs  
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***

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

We have audited 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 (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

Management of the Delran Township School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Delran Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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 School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## **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, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Delran Township School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated September 5, 2012.

This report is intended solely for the information and use of the management of the School District, the Division of Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Certified Public Accountant  
Registered Municipal Accountant

Marlton, New Jersey  
September 5, 2012

**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, 2012**

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, 2012. 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 \$12,600,924 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$1,166,724. The accounting treatments in the governmental funds for compensated absences payable, and 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 assets of the School District increased by \$1,804,680 or a 1.67% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the results of operations in the General Fund.
- Fund balance of the School District's governmental funds decreased by \$6,137,283 resulting in an ending fund balance of \$6,125,534. The majority of the decrease is attributable to the results of operations in the Capital Projects Fund.
- Business-type activities have unrestricted net assets of \$411,440 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 \$1,373,781 which is the result of principal payments on debt obligations and the increase of compensated absences.

**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 assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets 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 assets of the School District changed during the current fiscal year. Changes in net assets 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 2012. 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 2012.

The assets of the primary government activities exceeded liabilities by \$12,012,556 with an unrestricted deficit balance of \$1,166,724. The net assets of the primary government do not include internal balances.

A net investment of \$7,020,702 in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,893 public school students. Net assets of \$2,507,499 have been restricted to provide resources for future capital expansion and renovation projects while \$3,229,066 has been restricted for budget appropriation, \$300,000 is reserved for maintenance, \$16,275 is reserved for future debt service, and \$105,738 has been restricted for encumbrances.

As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable 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 Assets  
As of June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current assets	\$ 7,515,049	\$ 13,610,969	\$ 420,131	\$ 415,187	\$ 7,935,180	\$ 14,026,156
Capital assets	<u>38,724,858</u>	<u>32,167,403</u>	<u>176,928</u>	<u>164,259</u>	<u>38,901,786</u>	<u>32,331,662</u>
<b>Total assets</b>	<u>46,239,907</u>	<u>45,778,372</u>	<u>597,059</u>	<u>579,446</u>	<u>46,836,966</u>	<u>46,357,818</u>
<b>Liabilities:</b>						
Current Liabilities	2,936,957	2,994,124	8,691	6,605	2,945,648	3,000,729
Noncurrent Liabilities	<u>31,290,394</u>	<u>32,560,845</u>	<u>                    </u>	<u>                    </u>	<u>31,290,394</u>	<u>32,560,845</u>
<b>Total liabilities</b>	<u>34,227,351</u>	<u>35,554,969</u>	<u>8,691</u>	<u>6,605</u>	<u>34,236,042</u>	<u>35,561,574</u>
<b>Net assets</b>	<u>\$ 12,012,556</u>	<u>\$ 10,223,403</u>	<u>\$ 588,368</u>	<u>\$ 572,841</u>	<u>\$ 12,600,924</u>	<u>\$ 10,796,244</u>
<b>Net assets consist of:</b>						
<b>Invested in capital</b>						
Assets	\$ 7,020,702	\$ (967,535)	\$ 176,928	\$ 164,259	\$ 7,197,630	\$ (803,276)
Restricted net assets	6,158,578	11,533,899	<u>                    </u>	<u>                    </u>	6,158,578	11,533,899
Unrestricted net assets	<u>(1,166,724)</u>	<u>(342,961)</u>	<u>411,440</u>	<u>408,582</u>	<u>(755,284)</u>	<u>65,621</u>
<b>Net assets</b>	<u>\$ 12,012,556</u>	<u>\$ 10,223,403</u>	<u>\$ 588,368</u>	<u>\$ 572,841</u>	<u>\$ 12,600,924</u>	<u>\$ 10,796,244</u>

**Governmental Activities**

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

- Long term debt reduction of \$1,430,782.
- Capital assets had a net increase of \$6,557,455.

**Business-type Activities**

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

- The Food Services Fund had a net gain of \$15,527 for this fiscal year.

**Delran Township School District**  
**Comparative Schedule of Changes in Net Assets**  
**As of and for the Fiscal Year Ended June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services			\$ 703,921	\$ 697,438	\$ 703,921	\$ 697,438
Operating grants and Contributions	\$ 4,655,117	\$ 4,418,345	324,993	287,425	4,980,110	4,705,770
<b>General Revenues:</b>						
Property Taxes	27,247,637	26,875,379			27,247,637	26,875,379
Unrestricted State Aid	11,330,345	10,436,232			11,330,345	10,436,232
Tuition	45,436	17,962			45,436	17,962
Other Revenues	215,820	563,738	2,110	3,963	217,930	567,701
<b>Total Revenues</b>	<b>43,494,355</b>	<b>42,311,656</b>	<b>1,031,024</b>	<b>988,826</b>	<b>44,525,379</b>	<b>43,300,482</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	17,077,094	17,617,333			17,077,094	17,617,333
Tuition	1,745,432	1,356,143			1,745,432	1,356,143
Related Services	4,148,865	3,966,987			4,148,865	3,966,987
Administrative Services	2,840,837	2,757,389			2,840,837	2,757,389
Operations and Maintenance	3,629,140	3,837,723			3,629,140	3,837,723
Transportation	2,665,982	2,496,052			2,665,982	2,496,052
Employee Benefits	8,211,029	8,182,693			8,211,029	8,182,693
Interest on long-term Debt	1,321,345	1,360,773			1,321,345	1,360,773
Other	65,478	66,101			65,478	66,101
<b>Business-Type Activities:</b>						
Food Service Operations			1,015,497	938,826	1,015,497	938,826
<b>Total Expenses</b>	<b>41,705,202</b>	<b>41,641,194</b>	<b>1,015,497</b>	<b>938,826</b>	<b>42,720,699</b>	<b>42,580,020</b>
<b>Increase (decrease) in net Assets before transfers</b>	<b>1,789,153</b>	<b>670,462</b>	<b>15,527</b>	<b>50,000</b>	<b>1,804,680</b>	<b>720,462</b>
<b>Transfers</b>						
<b>Changes in net assets</b>	<b>1,789,153</b>	<b>670,462</b>	<b>15,527</b>	<b>50,000</b>	<b>1,804,680</b>	<b>720,462</b>
Net assets, July 1,	10,223,403	9,552,941	572,841	522,841	10,796,244	10,075,782
Net assets, June 30,	\$ 12,012,556	\$ 10,223,403	\$ 588,368	\$ 572,841	\$ 12,600,924	\$ 10,075,782

## **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 \$6,125,534, a decrease \$6,137,283 in comparison with the prior year. Most of this decrease is the result of operations in the Capital Projects 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 (\$33,044), and an unreserved fund balance of \$16,275 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 \$127,080, 2) appropriated as a revenue source in the subsequent year's budget \$1,906,279, 3) reserved for excess surplus in accordance with state statute \$1,322,787, 4) reserved for encumbrances \$638,426, 5) reserved for maintenance \$300,000, or 6) reserved for capital reserve \$1,847,731.

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**

The difference between the original budget and the final amended budget was \$456,699 or an increase of 1.23%. The increase to the budget is due to prior year encumbrances, additional state aid and Education Jobs Fund.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$918,166 while total fund balance (budgetary basis) was \$6,232,206. 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 \$38,543,912. Unreserved fund balance (budgetary basis) represents 2.38% of expenditures while total fund balance (budgetary basis) represents 16.17% 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, 2012, totaled \$38,901,786 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was \$6,570,124, or a 20.32% increase. The increase is primarily due to construction in progress.

**Delran Township School District  
Capital Asset (net of accumulated depreciation)  
June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Construction in Progress	\$ 25,198,232	\$ 18,030,139			\$ 25,198,232	\$ 18,030,139
Buildings and Building Improvements	13,044,616	13,609,180			13,044,616	\$ 13,609,180
Equipment	482,010	528,084	\$ 176,928	\$ 164,259	658,938	692,343
Net assets	<u>\$ 38,724,858</u>	<u>\$ 32,167,403</u>	<u>\$ 176,928</u>	<u>\$ 164,259</u>	<u>\$ 38,901,786</u>	<u>\$ 32,331,662</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, 2012, the School District had total bonded debt outstanding of \$31,443,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$104,873, E.D.A. loans payable in the amount of \$156,283, and \$913,691 in compensated absences outstanding at the end of the current fiscal year.

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 \$70,327,689 and the available borrowing capacity was \$38,884,689.

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 2012-13 fiscal year.

- For the 2012-13 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$507,663 or 1.99%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2012-13 General Fund Budget is \$2,021,448 greater than the previous year or a 5.35% increase. The district tax rate increased from \$1.73 in 2011 to \$1.95 in 2012 due to a large decrease in net valuations taxable.

### **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 Assets**  
**June 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$4,011,505	\$397,614	\$4,409,119
Receivables, net	1,121,142	12,227	1,133,369
Inventory		10,290	10,290
Restricted assets:			
Restricted cash and cash equivalents	2,000,351		2,000,351
Deferred bond issuance costs - net	382,051		382,051
Capital assets, net (Note 5)	<u>38,724,858</u>	<u>176,928</u>	<u>38,901,786</u>
<b>Total assets</b>	<u>46,239,907</u>	<u>597,059</u>	<u>46,836,966</u>
<b>LIABILITIES:</b>			
Accounts payable	295,994		295,994
Payable to state government	68,438		68,438
Other liabilities	152,620		152,620
Deferred revenue	490,412	8,691	499,103
Accrued interest due within one year	602,040		602,040
Noncurrent liabilities (Note 7):			
Due within one year	1,327,453		1,327,453
Due beyond one year	<u>31,290,394</u>		<u>31,290,394</u>
<b>Total liabilities</b>	<u>34,227,351</u>	<u>8,691</u>	<u>34,236,042</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	7,020,702	176,928	7,197,630
Restricted for:			
Debt Service Fund	184,770		184,770
Capital Projects	2,507,499		2,507,499
Other purposes	3,466,309		3,466,309
Unrestricted	<u>(1,166,724)</u>	<u>411,440</u>	<u>(755,284)</u>
<b>Total net assets</b>	<u>\$12,012,556</u>	<u>\$588,368</u>	<u>\$12,600,924</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, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
Instruction:						
Regular	\$12,361,189		\$448,934	(\$11,912,255)		(\$11,912,255)
Special education	3,587,291		630,087	(2,957,204)		(2,957,204)
Other instruction	1,128,614			(1,128,614)		(1,128,614)
Support Services:						
Tuition	1,745,432			(1,745,432)		(1,745,432)
Student & instruction related services	4,148,865		216,070	(3,932,795)		(3,932,795)
General administrative services	751,880			(751,880)		(751,880)
School administrative services	1,407,930			(1,407,930)		(1,407,930)
Central services	681,027			(681,027)		(681,027)
Plant operations and maintenance	3,629,140			(3,629,140)		(3,629,140)
Pupil transportation	2,665,982			(2,665,982)		(2,665,982)
Employee benefits	8,211,029		2,874,530	(5,336,499)		(5,336,499)
Interest on long-term debt	1,321,345		485,496	(835,849)		(835,849)
Unallocated depreciation and amortization	65,478			(65,478)		(65,478)
Total governmental activities	<u>41,705,202</u>		<u>4,655,117</u>	<u>(37,050,085)</u>		<u>(37,050,085)</u>
Business-type activities:						
Food Service	1,015,497	\$703,921	324,993		\$13,417	13,417
Total business-type activities	<u>1,015,497</u>	<u>703,921</u>	<u>324,993</u>		<u>13,417</u>	<u>13,417</u>
<b>Total primary government</b>	<b>\$42,720,699</b>	<b>\$703,921</b>	<b>\$4,980,110</b>	<b>(37,050,085)</b>	<b>13,417</b>	<b>(37,036,668)</b>
General revenues:						
Taxes:						
				25,383,164		25,383,164
				1,864,473		1,864,473
				11,330,345		11,330,345
				45,436		45,436
				215,820	2,110	217,930
				<u>38,839,238</u>	<u>2,110</u>	<u>38,841,348</u>
				1,789,153	15,527	1,804,680
				<u>10,223,403</u>	<u>572,841</u>	<u>10,796,244</u>
				<u>\$12,012,556</u>	<u>\$588,368</u>	<u>\$12,600,924</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, 2012**

<b>ASSETS</b>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$3,151,138		\$659,768	\$200,599	\$4,011,505
Receivables, net	482,614	\$212,275	419,043		1,113,932
Interfund receivables, net	78,135				78,135
Restricted cash and cash equivalents	<u>2,000,351</u>				<u>2,000,351</u>
<b>Total assets</b>	<u><b>\$5,712,238</b></u>	<u><b>\$212,275</b></u>	<u><b>\$1,078,811</b></u>	<u><b>\$200,599</b></u>	<u><b>\$7,203,923</b></u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	273,122	22,872			295,994
Intergovernmental payable:					
State		68,438			68,438
Interfund payables		55,096		15,829	70,925
Other liabilities	152,620				152,620
Deferred revenues	<u>5,500</u>	<u>65,869</u>	<u>419,043</u>		<u>490,412</u>
<b>Total liabilities</b>	<u><b>431,242</b></u>	<u><b>212,275</b></u>	<u><b>419,043</b></u>	<u><b>15,829</b></u>	<u><b>1,078,389</b></u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess surplus	1,322,787				1,322,787
Excess surplus - designated for subsequent year's expenditures	1,337,784				1,337,784
Maintenance reserve	300,000				300,000
Capital reserve	1,847,731				1,847,731
<b>Assigned to:</b>					
Year-end encumbrances	105,738		532,688		638,426
Subsequent year's expenditures	400,000			168,495	568,495
Unassigned	<u>(33,044)</u>		<u>127,080</u>	<u>16,275</u>	<u>110,311</u>
<b>Total fund balances</b>	<u><b>5,280,996</b></u>		<u><b>659,768</b></u>	<u><b>184,770</b></u>	<u><b>6,125,534</b></u>
<b>Total liabilities and fund balances</b>	<u><b>\$5,712,238</b></u>	<u><b>\$212,275</b></u>	<u><b>\$1,078,811</b></u>	<u><b>\$200,599</b></u>	

**Unreserved**

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

The cost associated with the issues of various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$690,372 and the accumulated amortization is \$280,078. 382,051

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$59,245,347 and the accumulated depreciation is \$20,520,489. 38,724,858

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (602,040)

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. (32,617,847)

Net assets of governmental activities **\$12,012,556**

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, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$25,383,164			\$1,864,473	\$27,247,637
Tuition charges	45,436				45,436
Transportation charges	30,863				30,863
Capital reserve interest	5,800				5,800
Interest earned			\$16,271		16,271
Miscellaneous	162,886				162,886
<b>Total revenues-local sources</b>	<b>25,628,149</b>		<b>16,271</b>	<b>1,864,473</b>	<b>27,508,893</b>
Local sources		\$11,712			11,712
State sources	13,710,040	235,276		485,496	14,430,812
Federal sources	464,234	1,078,704			1,542,938
<b>Total revenues</b>	<b>39,802,423</b>	<b>1,325,692</b>	<b>16,271</b>	<b>2,349,969</b>	<b>43,494,355</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	11,447,970	448,934			11,896,904
Special education instruction	2,957,204	630,087			3,587,291
Other instruction	1,128,614				1,128,614
Support services and undistributed costs:					
Tuition	1,745,432				1,745,432
Student & instruction related services	3,932,795	216,070			4,148,865
General administrative services	677,410				677,410
School administrative services	1,407,930				1,407,930
Central services	681,027				681,027
Plant operations and maintenance	3,300,342				3,300,342
Pupil transportation	2,665,982				2,665,982
Unallocated employee benefits	8,180,428	30,601			8,211,029
Capital outlay	418,778		7,168,092		7,586,870
Debt service:					
Principal				1,344,788	1,344,788
Interest and other charges				1,249,154	1,249,154
<b>Total expenditures</b>	<b>38,543,912</b>	<b>1,325,692</b>	<b>7,168,092</b>	<b>2,593,942</b>	<b>49,631,638</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,258,511</b>		<b>(7,151,821)</b>	<b>(243,973)</b>	<b>(6,137,283)</b>
Other Financing Sources (Uses):					
Transfers in				16,271	16,271
Transfers out			(16,271)		(16,271)
<b>Total other financing sources (uses)</b>			<b>(16,271)</b>	<b>16,271</b>	
<b>Net change in fund balance</b>	<b>1,258,511</b>		<b>(7,168,092)</b>	<b>(227,702)</b>	<b>(6,137,283)</b>
Fund balances, July 1	4,022,485		7,827,860	412,472	12,262,817
<b>Fund balances, June 30</b>	<b>\$5,280,996</b>	<b>-</b>	<b>\$659,768</b>	<b>\$184,770</b>	<b>\$6,125,534</b>

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, 2012**

Total net change in fund balances - governmental funds (from B-2) (\$6,137,283)

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

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.

Depreciation expense	(\$744,695)	
Capital outlay	<u>7,302,150</u>	6,557,455

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities. 1,175,000

Repayment of E.D.A. loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities. 74,154

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is reported in the statement of activities. 181,628

Bond issuance costs are reported in the governmental fund as expenditures in year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds. (28,243)

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. 23,443

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 (+). (57,001)

Change in net assets of governmental activities \$1,789,153

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

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Business-type Activities Enterprise Funds</b>
	<b>Food Service Program</b>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$397,614
Accounts receivable	12,227
Interfund receivables	
Inventories	10,290
Total current assets	420,131
Noncurrent assets:	
Equipment	573,433
Less accumulated depreciation	(396,505)
Total noncurrent assets	176,928
Total assets	\$597,059
 <b>LIABILITIES</b>	
Current liabilities:	
Deferred revenue	8,691
Total liabilities	8,691
 <b>NET ASSETS</b>	
Invested in capital assets net of related debt	176,928
Unrestricted	411,440
Total net assets	\$588,368

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 Assets**  
**Proprietary Funds**  
**for the Fiscal Year Ended June 30, 2012**

	<b>Business-type Activities Enterprise Funds</b>
	<b>Food Service Program</b>
<b>Operating revenues:</b>	
Charges for services:	
Daily sales-reimbursable programs	\$394,518
Daily sales-non-reimbursable programs	309,403
	703,921
<b>Total operating revenue</b>	<b>703,921</b>
<b>Operating expenses:</b>	
Salaries	440,826
Benefits	
Supplies and materials	30,947
Depreciation	25,725
Management fee	47,633
Purchased professional services	
Repairs and maintenance of equipment	10,034
Cost of sales	428,713
Direct expenses	31,619
Other expenses	
	1,015,497
<b>Total operating expenses</b>	<b>1,015,497</b>
<b>Operating income (loss)</b>	<b>(311,576)</b>
<b>Nonoperating revenues (expenses):</b>	
State sources:	
State school lunch program	11,142
Federal sources:	
National school lunch program	238,621
U.S.D.A. commodities	75,230
Local sources:	
Interest revenue	2,110
	327,103
<b>Total nonoperating revenues (expenses)</b>	<b>327,103</b>
<b>Change in net assets</b>	<b>15,527</b>
<b>Net assets - July 1</b>	<b>572,841</b>
<b>Net assets - June 30</b>	<b>\$588,368</b>

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, 2012**

	<b>Business-type Activities</b>
	<b>Enterprise Funds</b>
	<b>Food Service Program</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$704,986
Payments to employees	(440,826)
Payments to suppliers	(472,323)
Net cash used for operating activities	(208,163)
<b>Cash flows from noncapital financing activities:</b>	
State sources	10,752
Federal sources	230,397
Net cash provided by non-capital financing activities	241,149
<b>Cash flows from capital activities:</b>	
Purchases of fixed assets	(38,394)
Net cash used for capital activities	(38,394)
<b>Cash flows from Investing activities:</b>	
Interest and dividends	2,110
Net cash provided by investing activities	2,110
Net increase in cash and cash equivalents	(3,298)
Balances - July 1	400,912
Balances - June 30	\$397,614
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(\$311,576)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	25,725
Federal commodities	75,230
(Increase) decrease in accounts receivable	(1,021)
(Increase) decrease in inventories	1,393
Increase (decrease) in accounts payable	2,086
Total adjustments	103,413
Net cash provided by (used for) operating activities	(\$208,163)

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

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	Unemployment Compensation Trust	Flexible Benefit Trust	Agency Fund
<b>ASSETS:</b>			
Cash and cash equivalents	\$245,207		\$484,145
Interfund			
<b>Total assets</b>	<b>245,207</b>		<b>\$484,145</b>
 <b>LIABILITIES:</b>			
Accounts payable	15,122		
Payroll deductions and withholdings			163,259
Interfund payable			7,210
Due to student groups			313,676
<b>Total liabilities</b>	<b>15,122</b>		<b>\$484,145</b>
 <b>NET ASSETS:</b>			
Held in trust for unemployment claims and other purposes	<b>\$230,085</b>	<b>--</b>	

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

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Unemployment Compensation Trust	Flexible Benefit Trust
<b>ADDITIONS:</b>		
Contributions:		
Employee contributions	\$33,558	\$7,407
Board contribution		
<b>Total Contributions</b>	<b>33,558</b>	<b>7,407</b>
Investment earnings:		
Interest	1,400	
<b>Net investment earnings</b>	<b>1,400</b>	
<b>Total additions</b>	<b>34,958</b>	<b>7,407</b>
<b>DEDUCTIONS:</b>		
Claims paid	71,099	7,407
<b>Total deductions</b>	<b>71,099</b>	<b>7,407</b>
<b>Change in net assets</b>	<b>(36,141)</b>	
Net assets - July 1	266,226	
Net assets - June 30	<b>\$230,085</b>	<b>--</b>

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, 2012**

**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, 2012 of 2,893 students.

**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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. 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 assets 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 assets 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 assets 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. 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:

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the period from the September 30, 2010 through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2012 is considered to be attributable to Ed Jobs. Ed Jobs expenditures are included as a component of overall general fund expenditures, and are also included in general fund expenditures for purposes of the excess surplus calculation.

**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.

**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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Enterprise Funds (Continued)**

The School District's enterprises fund are:

**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 assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, 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 assets and changes in net assets. 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 assets.

**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.

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 assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. 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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 deferred 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 deferred 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.

**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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets/Budgetary Control (Continued)** - 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 deferred revenues at fiscal year end.

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

**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, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash, Cash Equivalents and Investments (Continued)** - N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), 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, 2012 and 2011 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, 2012.

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 Expenditures** - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

**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 assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 assets 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 assets and the proprietary fund statement of net assets.

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

**Accrued Salaries and Wages** - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these employees were disbursed to the employees' own individual accounts.

**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.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net 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, 2012.

**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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance (Continued)** - 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.

**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.

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

**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.

**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 may 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 \$250,000.00 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. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$8,796,588 at June 30, 2012.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**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, 2011 to June 30, 2012 fiscal year is as follows:

Balance – July 1, 2011		\$	1,389,314
Increased by:			
Transfer by Board Resolution	\$ 600,000		
Unspent Funds Returned	52,617		
Interest Earned	<u>5,800</u>		<u>658,417</u>
			2,047,731
Decreased by:			
Budgeted Withdrawal			<u>200,000</u>
Balance – June 30, 2012		\$	<u>1,847,731</u>

The June 30, 2012 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District's LRFP.

**4. RECEIVABLES**

All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
State Aid	\$ 258,082	\$ 5,236	\$ 419,043	\$ 390	\$ 682,751
Federal Aid	177,853	207,039		8,224	393,116
Other	<u>46,679</u>			<u>3,613</u>	<u>50,292</u>
<b>Total Accounts Receivable</b>	<u>\$ 482,614</u>	<u>\$ 212,275</u>	<u>\$ 419,043</u>	<u>\$ 12,227</u>	<u>\$ 1,126,159</u>

**Delran Township School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Governmental Activities:</b>				
<i>Capital Assets, not being depreciated:</i>				
Construction in Progress	\$ 18,030,139	\$ 7,168,093	\$	\$ 25,198,232
Total capital assets, not being Depreciated	<u>18,030,139</u>	<u>7,168,093</u>	<u></u>	<u>25,198,232</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	\$ 810,300	43,064		853,364
Building and Building Improvements	30,466,582	17,045		30,483,627
Machinery and Equipment	2,746,935	73,948	\$ 110,759	2,710,124
Totals at historical cost	<u>34,023,817</u>	<u>134,057</u>	<u>110,759</u>	<u>34,047,115</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(472,538)	(31,562)		(504,100)
Building and Building Improvements	(17,195,164)	(593,111)		(17,788,275)
Equipment	(2,218,851)	(120,022)	(110,759)	(2,228,114)
Totals accumulated depreciation	<u>(19,886,553)</u>	<u>(744,695)</u>	<u>(110,759)</u>	<u>(20,520,489)</u>
Total Capital Assets, being depreciated, net	<u>14,137,264</u>	<u>(610,638)</u>	<u></u>	<u>13,526,626</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,167,403</u>	<u>\$ 6,557,455</u>	<u>\$ -</u>	<u>\$ 38,724,858</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 535,039	38,394		\$ 573,433
Less accumulated depreciation	<u>(370,780)</u>	<u>(25,725)</u>		<u>(396,505)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 164,259</u>	<u>\$ 12,669</u>	<u>\$ -</u>	<u>\$ 176,928</u>

Depreciation expense in the amount of \$744,695 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 521,286
Administration	74,470
Plant Operations and Maintenance	111,704
Unallocated	<u>37,235</u>
Total	<u>\$ 744,695</u>

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**6. INVENTORY**

Inventory in the Proprietary Funds at June 30, 2012 consisted of the following:

	<u>Food Service</u>
Food	\$ 8,851
Supplies	<u>1,439</u>
	<u>\$ 10,290</u>

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ 856,690	\$ 57,001		\$ 913,691	
Capital Lease Payable	286,501		\$ 181,628	104,873	\$ 25,684
E.D.A. Loans Payable	230,437		74,154	156,283	76,769
General Obligation Bonds	<u>32,618,000</u>		<u>1,175,000</u>	<u>31,443,000</u>	<u>1,225,000</u>
	<u>\$ 33,991,628</u>	<u>\$ 57,001</u>	<u>\$ 1,430,782</u>	<u>\$ 32,617,847</u>	<u>\$ 1,327,453</u>

**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. Bonds issued by the District are as follows:

1998 Refunding Bonds dated November 15, 1998 in the amount of 2,850,000 due in annual installments through July 15, 2015 bearing interest rates ranging from 4.20% - 4.25%.

2005 Refunding Bonds dated September 15, 2005 in the amount of \$3,045,000 due in annual installments through January 15, 2023 bearing interest rates ranging from 4.00% - 4.50%.

2009 School Bonds dated July 15, 2009 in the amount of \$25,548,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 4.00% - 4.50%.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**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>
2013	\$ 1,225,000	\$ 1,285,840	\$ 2,510,840
2014	1,275,000	1,234,420	2,509,420
2015	1,330,000	1,181,170	2,511,170
2016	1,385,000	1,125,463	2,510,463
2017	1,425,000	1,068,575	2,493,575
2018-2022	8,050,000	4,423,387	12,473,387
2023-2027	9,835,000	2,580,231	12,415,231
2028-2030	<u>6,918,000</u>	<u>468,109</u>	<u>7,386,109</u>
	\$ <u>31,443,000</u>	\$ <u>13,367,195</u>	\$ <u>44,810,195</u>

As of June 30, 2012 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 Payable**

As of June 30, 2012, the District had the following capital leases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Energy Conservation	January 15, 2016	6.06%	\$ 300,000
Computers	July 1, 2012	1.50%	473,178

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, 2012:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 25,684	\$ 5,779	\$ 31,463
2014	27,276	4,187	31,463
2015	28,967	2,496	31,463
2016	<u>22,946</u>	<u>651</u>	<u>23,597</u>
	\$ <u>104,873</u>	\$ <u>13,113</u>	\$ <u>117,986</u>

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**7. LONG-TERM OBLIGATIONS (CONTINUED)**

**Advance Refunding**

The Board of Education adopted a resolution on October 12, 1998 for the purpose of issuing Refunding Bonds in order to advance refund up to all of the callable School Bonds dated August 15, 1995. The prior bonds were issued to finance various capital improvements to the District's facilities.

The approval was obtained from the New Jersey Local Finance Board in the Department of Community Affairs on August 12, 1998.

On November 1, 1988 the Board of Education issued \$7,095,000 Refunding Bonds and the proceeds of the Refunding Bonds were used to pay certain issuance costs and the remainder deposited in an escrow fund which will be used to pay the principal and interest of the refunded bonds when due.

**Advance Refunding**

Under the Refunding Bonds, the Board is required to pay principal in annual installments and interest in semi-annual installments through July 15, 2015. The Refunding Bonds carry interest rates in the range of 4.20% to 4.25%.

As a result of this transaction, the prior refunded bonds are considered to be defeased and accordingly, the related liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce the total payments over the next 17 years by \$453,881 and to obtain an economic gain of \$381,313 which resulted in a net present value cost savings of 5.37%.

On September 15, 2005 the District issued refunding bonds in the amount of \$3,715,000. The bonds, which were approved by the New Jersey Local Finance Board, were issued to refund \$3,572,000 of its 2001 Issue and to pay the costs of issuing the bonds. The bonds bear an interest rate of 2.90% to 4.05% with principal maturities from January 2012 through January 2023.

As a result of the above transaction, the 2001 debt is considered to be defeased and the liability for this debt has been removed from the records. The refunding program decreased total debt service by \$142,335 and resulted in a present value economic savings of \$137,532. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

**E.D.A. Loan Payable**

Economic Development Authority Loans (EDA Loans) are authorized in accordance with state law. All EDA loans are retired in serial installments within the statutory period of usefulness. EDA loans issued by the Board are direct obligations and pledge the full faith and credit of the District.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 76,769	\$ 5,369	\$ 82,138
2014	<u>79,514</u>	<u>1,814</u>	<u>81,328</u>
	<u>\$ 156,283</u>	<u>\$ 7,183</u>	<u>\$ 163,466</u>

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**8. OPERATING LEASES**

At June 30, 2012, the School District had an operating lease agreement in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2012 and 2011, were \$103,563, and \$99,583 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2013	\$123,463
June 30, 2014	105,871
June 30, 2015	104,275
June 30, 2016	96,944
June 30, 2017	<u>19,900</u>
Total future minimum lease payments	<u>\$450,453</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), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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)***

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**9. PENSION PLANS (Continued)**

***Public Employees' Retirement System (PERS)***

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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:

**Public Employees Retirement System**

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contrib Group Life Insurance</u>	<u>Total Liability</u>	<u>Paid by District</u>
2012	\$100,814	\$201,628	\$19,269	\$321,711	\$321,711
2011	118,394	188,653	23,320	330,367	330,367
2010	92,915	119,385	29,441	241,741	241,741

***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. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution 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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**9. PENSION PLANS (Continued)**

***Defined Contribution Retirement Program (DCRP)-(Continued)***

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>
2012	\$ 1,204	\$ 1,204
2011	367	367
2010	-0-	-0-

**Related Party Investments** – The Division of Pensions and Benefits does not invest in securities issued by the School District.

**10. POST-RETIREMENT BENEFITS**

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program 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. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2011.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2012 was \$1,096,276, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures \$545,340 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,202,312 for 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>
2011-2012	\$33,558		\$1,400	\$71,099	\$230,085
2010-2011	31,626		3,413	96,067	266,226
2009-2010	32,571	\$200,000	1,138	15,814	327,254
2008-2009	20,267		1,038	15,809	109,359
2007-2008	19,080	18,064	2,167	10,245	103,863

**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.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**14. COMPENSATED ABSENCES**

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

School District employees are granted varying 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, 2012, the liability for compensated absences in the governmental activities was \$913,691.

**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, 2013. The following interfund balances were recorded on the various balance sheets as of June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 78,135	
Special Revenue		55,096
Debt Service		15,829
Fiduciary		7,210
	\$ 78,135	\$ 78,135

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, 2012, 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, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**17. FLEXIBLE BENEFITS PROGRAM**

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with Benefit Express to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to Benefit Express for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ -	\$ 7,407	\$ 7,407	\$ -0-
2010-2011				
2009-2010				

**18. DEFICIT UNASSIGNED FUND BALANCE**

The School District has a deficit unassigned fund balance of \$33,044 in the General Fund as of June 30, 2012 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 unassigned 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 \$33,044 is equal to or less than the June state aid payment.

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**19. DEFICIT UNRESTRICTED NET ASSETS**

As of June 30, 2012, a deficit of \$1,166,724 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibited A-1 as follows:

Balances June 30, 2012	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ (33,044)
Add – Unamortized Bond Issuance Costs	382,051
Liabilities:	
Accrued interest Payable	(602,040)
Compensated Absences	<u>(913,691)</u>
Unrestricted Net Assets (Deficit)	<u>\$ (1,166,724)</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:

**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, 2012 is \$1,322,787 presented on the budgetary basis of accounting (Exhibit C-1). In addition, \$1,337,784 of excess fund balance generated during the 2010-2011 fiscal year has been restricted and designated for utilization in the 2012-2013 budget.

**Capital Reserve** – As of June 30, 2012, the balance in the capital reserve account is \$1,847,731. Of this amount \$550,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013 and \$1,297,731 is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2012, the balance in the maintenance reserve account is \$300,000. 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).

**Delran Township School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

**20. FUND BALANCES (Continued)**

**Capital Projects Fund** – As of June 30, 2012, the restricted fund balance amount was \$659,768 of which \$532,688 was restricted for Year-End Encumbrances.

**Debt Service Fund** – As of June 30, 2012, the restricted fund balance amount was \$184,770 of which \$168,495 has been designated for utilization in the 2012-2013 budget and \$16,275 is restricted for future debt service expenditures.

*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, 2012 the School District has \$105,738 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, 2013, \$400,000 of general fund balance at June 30, 2012.

*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, 2012, the fund balance of the general fund was a deficit of \$33,044, thus resulting in the fund balance classification of unassigned. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 18).

**Required Supplementary Information - Part II**

**Budgetary Comparison Schedules**

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$25,383,164		\$25,383,164	\$25,383,164	
Tuition	5,000		5,000	45,436	\$40,436
Transportation				30,863	30,863
Capital reserve interest	5,000		5,000	5,800	800
Unrestricted miscellaneous revenue	75,000		75,000	162,886	87,886
<b>Total local sources</b>	<b>25,468,164</b>		<b>25,468,164</b>	<b>25,628,149</b>	<b>159,985</b>
State sources:					
Categorical special education aid	1,609,489		1,609,489	1,609,489	
Equalization aid	8,736,379	\$399,442	9,135,821	9,135,821	
Extraordinary aid				189,661	189,661
Additional non-public transportation aid				14,505	14,505
Anti Bullying Aid				1,265	1,265
On-behalf TPAF pension contributions (non-budgeted)				545,340	545,340
On-behalf TPAF medical (non-budgeted)				1,096,276	1,096,276
Reimbursed TPAF social security contributions (non-budgeted)				1,202,313	1,202,313
<b>Total state sources</b>	<b>10,345,868</b>	<b>399,442</b>	<b>10,745,310</b>	<b>13,794,670</b>	<b>3,049,360</b>
Federal sources:					
Education Jobs Fund	395,743	\$12,398	408,141	408,141	
Medicaid reimbursement	24,395		24,395	56,093	31,698
<b>Total federal sources</b>	<b>420,138</b>	<b>12,398</b>	<b>432,536</b>	<b>464,234</b>	<b>31,698</b>
<b>TOTAL REVENUES</b>	<b>36,234,170</b>	<b>411,840</b>	<b>36,646,010</b>	<b>39,887,053</b>	<b>3,241,043</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	372,398	(26,296)	346,102	345,868	234
Grades 1-5	3,282,764	(12,187)	3,270,577	3,261,944	8,633
Grades 6-8	2,359,164	48,361	2,407,525	2,403,228	4,297
Grades 9-12	4,041,643	52,442	4,094,085	4,087,896	6,189
<b>Total Instruction</b>	<b>10,055,969</b>	<b>62,320</b>	<b>10,118,289</b>	<b>10,098,936</b>	<b>19,353</b>
Regular Programs - Home Instruction:					
Salaries of teachers	55,000	(5,930)	49,070	49,070	
Purchased professional - educ services	10,500	11,415	21,915	21,451	464
<b>Total Home Instruction</b>	<b>65,500</b>	<b>5,485</b>	<b>70,985</b>	<b>70,521</b>	<b>464</b>

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, 2012**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Regular Programs - Undistributed Instruction:</b>					
Purchased professional - educ services	\$191,457	(\$14,699)	\$176,758	\$165,030	\$11,728
Purchased technical services	60,167	43,981	104,148	67,096	37,052
Other purchased services	253,547	(3,644)	249,903	248,838	1,065
General supplies	410,450	230,012	640,462	619,324	21,138
Textbooks	155,996	4,156	160,152	158,727	1,425
Other objects	25,000	(3,234)	21,766	19,498	2,268
<b>Total Undistributed Instruction</b>	<b>1,096,617</b>	<b>256,572</b>	<b>1,353,189</b>	<b>1,278,513</b>	<b>74,676</b>
<b>Total - Regular Programs - Instruction</b>	<b>11,218,086</b>	<b>324,377</b>	<b>11,542,463</b>	<b>11,447,970</b>	<b>94,493</b>
<b>Special Educ Instruction: Learning/Lang. Disabilities</b>					
Salaries of teachers	515,232	2,628	517,860	517,860	
Other salaries for instruction	194,036	(33,677)	160,359	160,359	
General supplies	3,600		3,600	3,527	73
Textbooks	2,000		2,000	1,706	294
<b>Total Learning/Language Disabilities</b>	<b>714,868</b>	<b>(31,049)</b>	<b>683,819</b>	<b>683,452</b>	<b>367</b>
<b>Special Educ Instruction: Multiple Disabilities</b>					
Salaries of teachers	176,777	(32,114)	144,663	144,636	27
Other salaries for instruction	110,888	9,988	120,876	120,723	153
General supplies	900		900	871	29
Textbooks	500		500	489	11
<b>Total Multiple Disabilities</b>	<b>289,065</b>	<b>(22,126)</b>	<b>266,939</b>	<b>266,719</b>	<b>220</b>
<b>Special Educ Instruction: Res. Room/Res. Center</b>					
Salaries of teachers	1,642,275	109,652	1,751,927	1,738,063	13,864
Other salaries for instruction	58,781	5,333	64,114	61,543	2,571
General supplies	15,000	2,500	17,500	17,149	351
Textbooks	7,000	(2,726)	4,274	3,137	1,137
<b>Total Resource Room/Resource Center</b>	<b>1,723,056</b>	<b>114,759</b>	<b>1,837,815</b>	<b>1,819,892</b>	<b>17,923</b>
<b>Preschool Disabilities - Part-time</b>					
Salaries of teachers	131,684	(1,895)	129,789	129,724	65
Other salaries for instruction	42,632	12,754	55,386	55,048	338
General supplies	2,600	(155)	2,445	2,369	76
<b>Total Preschool Disabilities - Part-time</b>	<b>176,916</b>	<b>10,704</b>	<b>187,620</b>	<b>187,141</b>	<b>479</b>
<b>Total Special Education - Instruction</b>	<b>2,903,905</b>	<b>72,288</b>	<b>2,976,193</b>	<b>2,957,204</b>	<b>18,989</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	2,000	23,436	25,436	25,436	
<b>Total Basic Skills/Remedial - Instruction</b>	<b>2,000</b>	<b>23,436</b>	<b>25,436</b>	<b>25,436</b>	

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, 2012**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction</b>					
Salaries	\$226,958	\$3,895	\$230,853	\$230,853	
Purchased professional - educational services	7,800		7,800	7,741	\$59
General supplies	500		500	500	500
Textbooks	1,600	(1,340)	260	260	260
<b>Total Bilingual Education - Instruction</b>	<b>236,858</b>	<b>2,555</b>	<b>239,413</b>	<b>238,594</b>	<b>819</b>
<b>School-Sponsored Cocurricular Act - Inst.</b>					
Salaries	206,223		206,223	176,650	29,573
Other purchased services	2,300	500	2,800	2,750	50
Supplies and materials	13,442	(2,283)	11,159	10,752	407
Other objects		161	161	161	
<b>Total School-Sponsored Cocurr. Act. - Inst</b>	<b>221,965</b>	<b>(1,622)</b>	<b>220,343</b>	<b>190,313</b>	<b>30,030</b>
<b>School-Sponsored Athletics - Inst.</b>					
Salaries	407,165		407,165	388,620	18,545
Other purchased services	74,517	5,966	80,483	80,040	443
Supplies and materials	51,430	(5,941)	45,489	44,242	1,247
Other objects	2,000	(391)	1,609	1,609	
<b>Total School-Sponsored Athletics - Inst</b>	<b>535,112</b>	<b>(366)</b>	<b>534,746</b>	<b>514,511</b>	<b>20,235</b>
<b>Other Supplemental/At Risk Programs - Inst.</b>					
Salaries	158,417	1,343	159,760	159,760	
<b>Total Supplemental/At Risk Programs - Inst</b>	<b>158,417</b>	<b>1,343</b>	<b>159,760</b>	<b>159,760</b>	
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other lea's w/i state - regular	77,184	37,390	114,574	109,404	5,170
Tuition to other lea's w/i state - special	293,750	95,157	388,907	364,346	24,561
Tuition to county voc. school dist. - reg.	83,750	(9,500)	74,250	71,650	2,600
Tuition to county voc. school dist. - spl.	53,600	(11,712)	41,888	25,794	16,094
Tuition to CSSD & reg. day schools	502,825	(139,804)	363,021	363,021	
Tuition to priv. sch. for the disabled w/i state	642,457	(8,646)	633,811	580,012	53,799
Tuition to priv. sch. for the disabled o/s state	76,130		76,130	76,130	
Tuition - state facilities	48,449		48,449	48,449	
Tuition - other	108,766		108,766	106,626	140
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,884,911</b>	<b>(37,115)</b>	<b>1,847,796</b>	<b>1,745,432</b>	<b>102,364</b>
<b>Undistributed Expenditures - Attend. and Social Work</b>					
Salaries	34,679		34,679	34,679	
<b>Total Undistributed Expenditures - Attendance</b>	<b>34,679</b>		<b>34,679</b>	<b>34,679</b>	
<b>Undistributed Expenditures - Health Services</b>					
Salaries	271,887	(1,200)	270,687	270,676	11
Purchased professional and technical services	5,000		5,000	4,675	325
Supplies and materials	6,051	(57)	5,994	5,601	393
<b>Total Undistributed Expenditures - Health Svcs.</b>	<b>282,938</b>	<b>(1,257)</b>	<b>281,681</b>	<b>280,952</b>	<b>729</b>
<b>Undist. Expend. - Speech, OT, PT, &amp; Rel. Serv.</b>					
Salaries	450,902	289	451,191	451,191	
Purchased professional and educ. services	21,000		21,000	18,300	2,700
Supplies and materials	4,200		4,200	4,155	45
<b>Total Undst. Expend. - Speech, OT, PT, &amp; Rel. Serv.</b>	<b>476,102</b>	<b>289</b>	<b>476,391</b>	<b>473,646</b>	<b>2,745</b>

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, 2012**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Sp. Ed. - Extraordinary Services					
Salaries	\$243,514	\$1,075	\$244,589	\$243,074	\$1,515
<b>Total Undst. Expend. - Special Ed.- Extra. Serv.</b>	<b>243,514</b>	<b>1,075</b>	<b>244,589</b>	<b>243,074</b>	<b>1,515</b>
Undist. Expend. - Guidance					
Salaries of other professional staff	651,520	14,738	666,258	664,928	1,330
Salaries of secretarial and clerical assistants	163,822	13,088	176,910	173,439	3,471
Supplies and materials	1,000		1,000	800	200
<b>Total Undst. Expend. - Guidance</b>	<b>816,342</b>	<b>27,826</b>	<b>844,168</b>	<b>839,167</b>	<b>5,001</b>
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	665,106	(9,045)	656,061	656,061	
Salaries of secretarial and clerical assistants	90,748	(3,000)	87,748	87,747	1
Purchased professional and educ. services	503,734	(2,360)	501,374	361,736	139,638
Other purchased services (400-500)	21,635		21,635	12,953	8,682
Supplies and materials	14,550	2,384	16,934	15,751	1,183
Other objects	4,700	16	4,716	4,716	
<b>Total Undst. Expend. - Child Study Teams</b>	<b>1,300,473</b>	<b>(12,005)</b>	<b>1,288,468</b>	<b>1,138,964</b>	<b>149,504</b>
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	137,424		137,424	137,424	
Salaries of other professional staff	5,000	(1,955)	3,045	2,003	1,042
Salaries of secretarial and clerical assistants	28,992	8,503	37,495	37,495	
Other salaries		41,778	41,778	40,059	1,719
Purchased professional and educ. services	28,000	(3,092)	24,908	24,789	119
Other purchased services (400-500)	1,000	8,769	9,769	9,769	
Supplies and materials	4,500	(20)	4,480	3,388	1,092
Other objects		164	164	89	75
<b>Total Undst. Expend. - Improvement of Instr. Services</b>	<b>204,916</b>	<b>54,147</b>	<b>259,063</b>	<b>255,016</b>	<b>4,047</b>
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	339,389	78,918	418,307	418,051	256
Salaries of Technology Coordinators	197,226		197,226	197,225	1
Purchased professional and technical services	21,390	(17,361)	4,029	2,135	1,894
Supplies and materials	42,139	(247)	41,892	40,152	1,740
<b>Total Undst. Expend. - Educ. Media Serv./Sch. Library</b>	<b>600,144</b>	<b>61,310</b>	<b>661,454</b>	<b>657,563</b>	<b>3,891</b>
Instructional Staff Training Services					
Salaries of secretarial and clerical assistance	2,000	(1,055)	945		945
Purchased professional and educ. services	2,750	(1,811)	939	857	82
Other purchased services (400-500)	5,260	2,427	7,687	2,950	4,737
Supplies and materials	5,975	626	6,601	5,927	674
Other objects	750		750		750
<b>Total Instructional Staff Training Services</b>	<b>16,735</b>	<b>187</b>	<b>16,922</b>	<b>9,734</b>	<b>7,188</b>
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	291,087	(7,500)	283,587	283,587	
Legal services	81,900	30,000	111,900	64,938	46,962
Audit Fees	30,000		30,000	20,500	9,500
Architectural/Engineering Services	70,000	62,000	132,000	104,823	27,177
Other purchased professional services	10,000		10,000	7,064	2,936
Purchased technical services	10,000	11,314	21,314	14,136	7,178
Communications/Telephone	210,000	(35,862)	174,038	127,240	46,798
BOE Other purchased services (400-500)	7,875	(2,625)	5,250	1,648	3,602
Other purchased services (400-500)	42,500	(35,004)	7,496	3,796	3,700
General supplies	25,000		25,000	19,909	5,091
BOE In-House Training/Meeting Supplies	3,150		3,150	926	2,224
Miscellaneous expenditures	22,000	(10,000)	12,000	10,196	1,804
BOE membership dues and fees	19,500		19,500	18,647	853
<b>Total Undst. Expend. - Supp. Serv. General Admin.</b>	<b>823,012</b>	<b>12,223</b>	<b>835,235</b>	<b>677,410</b>	<b>157,825</b>

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, 2012**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Supp. Serv. School Admin.</b>					
Salaries of principals/assist. principals	\$934,067	\$23,915	\$957,982	\$954,843	\$3,139
Salaries of secretarial and clerical assistants	330,825	(99)	330,726	328,025	2,701
Purchased professional and technical services	59,602	2,852	62,454	62,148	306
Other purchased services	2,060	8,437	10,497	9,392	1,105
Supplies and Materials	32,425	12,149	44,574	39,503	5,071
Other objects	17,950	(988)	16,962	14,019	2,943
<b>Total Undst. Expend. - Supp. Serv. School Admin.</b>	<b>1,376,929</b>	<b>46,266</b>	<b>1,423,195</b>	<b>1,407,930</b>	<b>15,265</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	401,998	24,783	426,781	425,782	999
Purchased professional services	32,500	(1,492)	31,008	26,374	4,634
Purchased technical services	21,000	(10,776)	10,224	10,083	141
Misc. purchased services	2,625	(2,133)	492	420	72
Supplies and materials	15,000		15,000	11,447	3,553
Interest on lease purchase agreements	7,279		7,279	7,278	1
Miscellaneous expenditures	17,500	(10,000)	7,500	1,689	5,811
<b>Total Undst. Expend. - Central Services</b>	<b>497,902</b>	<b>382</b>	<b>498,284</b>	<b>483,073</b>	<b>15,211</b>
<b>Undist. Expend. - Admin. Info. Tech.</b>					
Purchased technical services	192,324	(16,833)	175,491	172,426	3,065
Other purchased services		10,000	10,000	9,579	421
Supplies and materials		30,000	30,000	15,949	14,051
<b>Total Undst. Expend. - Admin. Info. Tech.</b>	<b>192,324</b>	<b>23,167</b>	<b>215,491</b>	<b>197,954</b>	<b>17,537</b>
<b>Undist. Expend. - Required Maint. Sch. Facilities</b>					
Salaries	591,245	(550)	590,695	581,520	9,175
Cleaning, repair, and maintenance services	628,131	(283,399)	344,732	86,721	258,011
General supplies	11,722	17,700	29,422	28,719	703
<b>Total Undst. Expend. - Required Maint. Sch. Facilities</b>	<b>1,231,098</b>	<b>(266,249)</b>	<b>964,849</b>	<b>696,960</b>	<b>267,889</b>
<b>Undist. Expend. - Other Oper. &amp; Maint. of Plant</b>					
Salaries		49,527	49,527	49,433	94
Salaries of non-instructional aids	88,709	(2,000)	86,709	84,889	1,820
Purchased professional - tech services	56,297	(400)	55,897	28,349	27,548
Cleaning, repair, and maintenance services	1,325,577	(88,292)	1,237,285	1,148,609	88,676
Other purchased property services	44,604	16,000	60,604	55,916	4,688
Insurance	130,250		130,250	128,118	2,132
Miscellaneous purchased services	6,300	(500)	5,800	240	5,560
General supplies	222,023	69,690	291,713	229,867	61,846
Energy (electricity)	863,886	(112,030)	751,856	414,778	337,078
Energy (natural gas)	458,841	(50,000)	408,841	241,663	167,178
Energy (gasoline)	48,977	(48,977)			
Other objects	546	789	1,335	1,105	230
<b>Total Undst. Expend. - Other Oper. &amp; Maint. of Plant</b>	<b>3,246,010</b>	<b>(166,193)</b>	<b>3,079,817</b>	<b>2,382,967</b>	<b>696,850</b>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Salaries	49,877		49,877	49,877	
Purchased professional and technical services	168,307	2,873	171,180	168,498	2,682
<b>Total Undst. Expend. - Care and Upkeep of Grounds</b>	<b>218,184</b>	<b>2,873</b>	<b>221,057</b>	<b>218,375</b>	<b>2,682</b>
<b>Security</b>					
Purchased professional and technical services	4,750	(250)	4,500	2,040	2,460
<b>Total Undst. Expend. - Oper. &amp; Maint. of Plant Services</b>	<b>4,700,042</b>	<b>(429,819)</b>	<b>4,270,223</b>	<b>3,300,342</b>	<b>969,881</b>

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, 2012**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$25,608	\$4,128	\$29,736	\$29,736	
Salaries for pupil trans (bet home & sch) - sp. ed.	23,421	(709)	22,712	22,712	
Salaries for pupil trans (other than bet home & sch)	3,603	(710)	2,893	2,893	
Salaries student transportation - nonpublic	9,248	(709)	8,539	8,539	
Contr. serv. (bet. home & sch.) - vendors	1,373,383	21,183	1,394,566	1,394,566	
Contr. serv. (other than bet. home & sch.) - vendors	166,110	(1,290)	164,820	106,613	\$58,207
Contr. serv. (bet. home & sch.) - joint agree.	20,186	(20,186)			
Contr. serv. (sp ed stds) - vendors	885,000	111,025	996,025	986,647	9,378
Contr. serv. (sp ed stds) - joint agreements	119,891	(79,149)	40,742	40,742	
Contr. Serv. - aid in lieu pymts - nonpub sch	80,000	(10,000)	70,000	69,414	586
Misc. purchased services - transportation	25,357	(21,183)	4,174	4,120	54
<b>Total Undst. Expend. - Student Trans. Services</b>	<b>2,731,807</b>	<b>2,400</b>	<b>2,734,207</b>	<b>2,665,982</b>	<b>68,225</b>
<b>Unallocated Benefits - Employee Benefits</b>					
Group insurance					
Social security contributions	356,528		356,528	353,654	2,874
Other retirement contributions - PERS	338,465		338,465	321,711	16,754
Unemployment Compensation	100,000	(67,464)	32,536		32,536
Workmen's Compensation	230,000		230,000	212,742	17,258
Health benefits	4,445,017	38,866	4,481,883	4,361,956	119,927
Tuition reimbursements	47,606		47,606	9,056	38,550
Other Employee Benefits	57,799	33,911	91,710	77,380	14,330
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>5,575,415</b>	<b>3,313</b>	<b>5,578,728</b>	<b>5,336,499</b>	<b>242,229</b>
On-behalf TPAF pension contributions (non-budgeted)				545,340	(545,340)
On-behalf TPAF medical (non-budgeted)				1,096,276	(1,096,276)
Reimbursed TPAF social security contributions (non-budgeted)				1,202,313	(1,202,313)
<b>Total Undistributed Expenditures - TPAF</b>				<b>2,843,929</b>	<b>(2,843,929)</b>
<b>Total Undistributed Expenditures</b>	<b>21,758,185</b>	<b>(247,811)</b>	<b>21,510,374</b>	<b>22,591,346</b>	<b>(1,080,972)</b>
<b>Total General Current Expense</b>	<b>37,034,528</b>	<b>174,400</b>	<b>37,208,928</b>	<b>38,125,134</b>	<b>(916,206)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
Grades 1-5	3,000	4,669	7,669	7,669	
Grades 6-9		13,500	13,500	13,500	
Undistributed expenditures - instruction		128,488	128,488	80,597	47,891
Undistributed expenditures - support services - child study teams	14,550	(7,645)	6,905	6,905	
Undistributed Expenditures - Required Maint for School Facilities		131,807	131,807	127,059	4,748
Undistributed Expenditures - Custodial Services		2,445	2,445	2,445	
<b>Total Equipment</b>	<b>17,550</b>	<b>273,264</b>	<b>290,814</b>	<b>238,175</b>	<b>52,639</b>
<b>Facilities Acquisition and Construction Services:</b>					
Lease purchase agreements - principal	24,185		24,185	24,185	
Buildings other than Lease purchase agreements	200,000		200,000	147,383	52,617
Other objects		9,035	9,035	9,035	
<b>Total Facilities Acquisition and Construction Services</b>	<b>224,185</b>	<b>9,035</b>	<b>233,220</b>	<b>180,603</b>	<b>52,617</b>
<b>Total Capital Outlay</b>	<b>\$241,735</b>	<b>\$282,299</b>	<b>\$524,034</b>	<b>\$418,778</b>	<b>\$105,256</b>

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, 2012**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
Total Expenditures	<u>37,278,263</u>	<u>456,699</u>	<u>37,732,962</u>	<u>38,543,912</u>	<u>(810,950)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(\$1,042,093)</u>	<u>(\$44,859)</u>	<u>(\$1,086,952)</u>	<u>\$1,343,141</u>	<u>\$2,430,093</u>
Other Financing Sources (Uses):					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,042,093)</u>	<u>(44,859)</u>	<u>(1,086,952)</u>	<u>1,343,141</u>	<u>2,430,093</u>
Fund Balance, July 1	<u>4,889,065</u>		<u>4,889,065</u>	<u>4,889,065</u>	
Fund Balance, June 30	<u>\$3,846,972</u>	<u>(\$44,859)</u>	<u>\$3,802,113</u>	<u>\$6,232,206</u>	<u>\$2,430,093</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$1,337,784	
Reserve for Excess Surplus				1,322,787	
Maintenance Reserve				300,000	
Capital Reserve				1,847,731	
Assigned Fund Balance					
Year-end Encumbrances				105,738	
Designated for Subsequent Years Expenditures				400,000	
Unassigned Fund Balance				<u>918,166</u>	
				6,232,206	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(951,210)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$5,280,996</u>	

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

**DELRAN TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Education Jobs Fund**  
**Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal sources:					
Education Jobs Fund	<u>\$395,743</u>	<u>\$12,398</u>	<u>\$408,141</u>	<u>\$408,141</u>	
Total Education Jobs Fund	<u>395,743</u>	<u>12,398</u>	<u>408,141</u>	<u>408,141</u>	
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Undistributed Expenditures :					
Unallocated Benefits - Employee Benefits					
Health Benefits	<u>395,743</u>	<u>\$12,398</u>	<u>408,141</u>	<u>408,141</u>	
Total - Unallocated Benefits - Employee Benefits	<u>395,743</u>	<u>12,398</u>	<u>408,141</u>	<u>408,141</u>	
Total General Current Expense	<u>395,743</u>	<u>12,398</u>	<u>408,141</u>	<u>408,141</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Fund Balance, July 1					
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources		\$11,712	\$11,712	\$11,712	
State sources	\$270,138	33,576	303,714	235,276	(\$68,438)
Federal sources	808,707	405,145	1,213,852	1,078,704	(135,148)
<b>Total revenues</b>	<u>1,078,845</u>	<u>450,433</u>	<u>1,529,278</u>	<u>1,325,692</u>	<u>(203,586)</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	200,553	79,044	279,597	201,258	78,339
Salaries of other professional staff					
Salaries of other instruction	14,650	(14,650)			
Purchased professional - educ. services	173,919	59,946	233,865	199,292	34,573
Purchased professional - tech. services	42,744	30,354	73,098	41,706	31,392
Tuition	2,723	20,991	23,714	23,714	
Other purchased services	400,176	132,560	532,736	532,736	
General supplies	8,086	47,781	55,867	48,658	7,209
Textbooks	36,969	815	37,784	31,233	6,551
Other Objects	2,170	543	2,713	424	
<b>Total instruction</b>	<u>881,990</u>	<u>357,384</u>	<u>1,239,374</u>	<u>1,079,021</u>	<u>158,064</u>
<b>Support services:</b>					
Salaries of supervisors for instruction	16,800	4,342	21,142	21,000	142
Salaries of other professional staff	8,800	2,328	11,128		11,128
Salaries of secretaries & clerical assistants	2,400	600	3,000	3,000	
Salaries of other instruction					
Other salaries					
Personal services - employee benefits	42,334	12,287	54,621	30,601	24,020
Purchased professional - educ. services	72,118	27,978	100,096	99,438	658
Purchased professional and technical services	43,804	10,167	53,971	52,254	1,717
Travel	400	2,602	3,002	2,744	258
Tuition					
Other purchased services (400-500)	8,027	23,119	31,146	26,140	5,006
Supplies and materials	588	11,211	11,799	11,494	305
<b>Total support services</b>	<u>195,271</u>	<u>94,634</u>	<u>289,905</u>	<u>246,671</u>	<u>43,234</u>
<b>Facilities acquisition and construction services:</b>					
Building					
Instructional equipment					
<b>Total facilities acq. and const. services</b>					
<b>Total expenditures</b>	<u>1,077,261</u>	<u>452,018</u>	<u>1,529,279</u>	<u>1,325,692</u>	<u>201,298</u>
<b>Total outflows</b>	<u>1,077,261</u>	<u>452,018</u>	<u>1,529,279</u>	<u>1,325,692</u>	<u>201,298</u>
<b>Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)</b>					

**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>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 39,887,053	\$ 1,325,692
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	866,580	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(951,210)</u>	
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.</b>	<u>\$ 39,802,423</u>	<u>\$ 1,325,692</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 38,543,912	\$ 1,325,692
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.		
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u>\$ 38,543,912</u>	<u>\$ 1,325,692</u>

**Other Supplementary Information**

**Special Revenue Fund**

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2012**  
**(With comparative totals for June 30, 2011)**

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Totals	
					2012	2011
<b>REVENUES:</b>						
Local sources		\$11,712			\$11,712	\$9,877
State sources	\$151,358	431	\$83,487		235,276	282,772
Federal sources		267,278	734,070	\$77,358	1,078,704	1,260,032
<b>Total Revenues</b>	<b>151,358</b>	<b>279,421</b>	<b>817,557</b>	<b>77,358</b>	<b>1,325,692</b>	<b>1,552,681</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers		143,469	14,000	43,789	201,258	212,888
Salaries of other professional staff						10,000
Salaries of other instruction						18,313
Professional education services	109,652	28,912	59,837	1,091	199,292	163,485
Tuition			23,714		23,714	171,106
Professional technical services	41,706				41,706	108,805
Other purchased services			532,738		532,738	500,200
General supplies		33,370		15,288	48,658	49,842
Textbooks			31,233		31,233	44,605
Other Objects		424			424	
<b>Total instruction</b>	<b>151,358</b>	<b>206,175</b>	<b>661,320</b>	<b>60,168</b>	<b>1,079,021</b>	<b>1,279,244</b>
Support services:						
Salaries of supervisors for instruction			21,000		21,000	75,250
Salaries of other professional staff						
Salaries of secretarial and clerical asst.			3,000		3,000	3,000
Salaries of other instruction						
Other salaries						10,858
Personal services-employee benefits		22,095	1,401	7,105	30,601	55,835
Purchased prof. and educational services		13,697	78,582	7,159	99,438	117,357
Purchase professional and technical services			52,254		52,254	
Travel				2,744	2,744	238
Tuition						
Other purchased services (400-500)		26,140			26,140	5,943
Supplies and materials		11,314		180	11,494	2,478
Miscellaneous expenditures						
<b>Total support services</b>		<b>73,246</b>	<b>156,237</b>	<b>17,188</b>	<b>246,671</b>	<b>270,959</b>
Facilities acquisition and const. serv.:						
Building						2,478
Instructional equipment						
<b>Total facilities acquisition and const. serv.:</b>						<b>2,478</b>
<b>Total Expenditures</b>	<b>151,358</b>	<b>279,421</b>	<b>817,557</b>	<b>77,358</b>	<b>1,325,692</b>	<b>1,552,681</b>
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, 2012**

	<u>Chapter 192 - Auxillary Services</u>		<u>Chapter 193 - Handicapped Services</u>			<u>Carried Forward (Exh. E-1A)</u>
	<u>Comp. Education</u>	<u>Home Instruction</u>	<u>Corrective Speech</u>	<u>Suppl. Instruction</u>	<u>Exam &amp; Classification</u>	
<b>REVENUES:</b>						
Local sources						
State sources	\$68,047	\$5,236	\$5,292	\$31,077	\$41,706	\$151,358
Federal sources						
<b>Total Revenues</b>	<u>68,047</u>	<u>5,236</u>	<u>5,292</u>	<u>31,077</u>	<u>41,706</u>	<u>151,358</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers						
Professional education services	68,047	5,236	5,292	31,077		109,652
Professional technical services					41,706	41,706
Tuition						
General supplies						
Textbooks						
Other Objects						
<b>Total instruction</b>	<u>68,047</u>	<u>5,236</u>	<u>5,292</u>	<u>31,077</u>	<u>41,706</u>	<u>151,358</u>
Support services:						
Salaries of secretarial and clerical asst.						
Salaries of other instruction						
Other salaries						
Personal services-employee benefits						
Purchased prof. and educational services						
Purchase professional and technical services						
Travel						
Tuition						
Other purchased services (400-500)						
Supplies and materials						
<b>Total support services</b>						
Facilities acquisition and const. serv.:						
Instructional equipment						
<b>Total facilities acquisition and const. serv.:</b>						
<b>Total Expenditures</b>	<u>68,047</u>	<u>5,236</u>	<u>5,292</u>	<u>31,077</u>	<u>41,706</u>	<u>151,358</u>
<b>Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)</b>						

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2012**

	ESL	Alice Paul Grant	E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)			Carried Forward (Exh. E-1A)
			Title I Current Yr.	Title I Prior Yr.	Title I ARRA Prior Yr.	
<b>REVENUES:</b>						
Local sources		\$11,712				\$11,712
State sources	\$431					431
Federal sources			\$115,500	\$125,650	\$26,128	267,278
<b>Total Revenues</b>	<b>431</b>	<b>11,712</b>	<b>115,500</b>	<b>125,650</b>	<b>26,128</b>	<b>279,421</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of teachers		10,880	41,848	90,943		143,469
Professional education services	431		28,481			28,912
Other purchased services						
Tuition						
General supplies			23,478	1,427	8,465	33,370
Textbooks						
Other Objects				424		424
<b>Total Instruction</b>	<b>431</b>	<b>10,880</b>	<b>93,605</b>	<b>92,794</b>	<b>8,465</b>	<b>206,175</b>
<b>Support services:</b>						
Salaries of supervisors for instruction						
Other salaries						
Personal services-employee benefits		832		21,263		22,095
Purchased prof. and educational services			7,199	1,449	5,049	13,697
Travel						
Tuition						
Other purchased services (400-500)			14,698	10,144	1,300	26,140
Supplies and materials					11,314	11,314
Other objects						
<b>Total support services</b>		<b>832</b>	<b>21,895</b>	<b>32,856</b>	<b>17,663</b>	<b>73,248</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional equipment						
<b>Total facilities acquisition and const. serv.:</b>						
<b>Total Expenditures</b>	<b>431</b>	<b>11,712</b>	<b>115,500</b>	<b>125,650</b>	<b>26,128</b>	<b>279,421</b>
<b>Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)</b>						

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Statement of Revenues and Expenditures**  
**Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2012**

	Nonpublic Textbook	Nonpublic Nursing	IDEA			Carried Forward (Exh. E-1A)
			Basic Current Yr.	Basic Carryover	Preschool Prior Yr.	
<b>REVENUES:</b>						
Local sources						\$83,467
State sources	\$31,233	\$52,254				734,070
Federal sources			\$661,034	\$47,921	\$1,401	\$23,714
<b>Total Revenues</b>	<b>31,233</b>	<b>52,254</b>	<b>661,034</b>	<b>47,921</b>	<b>1,401</b>	<b>817,557</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers				14,000		14,000
Salaries of other professional staff						
Salaries of other instruction						
Professional education services			69,637			69,637
Professional technical services						
Tuition						23,714
Other purchased services			532,736			532,736
General supplies						
Textbooks	31,233					31,233
Misc. Expenditures						
<b>Total Instruction</b>	<b>31,233</b>		<b>592,373</b>	<b>14,000</b>		<b>661,320</b>
Support services:						
Salaries of supervisors for instruction				21,000		21,000
Salaries of other professional staff						
Salaries of secretarial and clerical asst.				3,000		3,000
Salaries of other instruction						
Business support - salaries						
Other salaries						
Tuition						
Personal services-employee benefits						1,401
Purchased prof. and educational services			68,661	9,921	1,401	78,562
Purchase professional and technical services		52,254				52,254
Other purchased services						
Travel						
Supplies and materials						
Miscellaneous expenditures						
<b>Total support services</b>		<b>52,254</b>	<b>68,661</b>	<b>33,921</b>	<b>1,401</b>	<b>156,237</b>
Facilities acquisition and const. serv.:						
Building						
Instructional equipment						
<b>Total facilities acquisition and const. serv.:</b>						
<b>Total Expenditures</b>	<b>31,233</b>	<b>52,254</b>	<b>661,034</b>	<b>47,921</b>	<b>1,401</b>	<b>817,557</b>
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, 2012**

	<u>E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)</u>						Carried Forward (Exh. E-1A)
	<u>Title II-A</u> Current Yr.	<u>Title II-D</u> Prior Yr.	<u>Title III</u> Immigrant	<u>Title III</u> Current Yr.	<u>Title III</u> Prior Yr.	<u>Title IV</u> Prior Yr.	
<b>REVENUES:</b>							
Local sources							
State sources							
Federal sources	54,254	94	\$5,939	\$14,389	\$456	\$2,224	\$77,356
<b>Total Revenues</b>	<b>54,254</b>	<b>94</b>	<b>5,939</b>	<b>14,389</b>	<b>456</b>	<b>2,224</b>	<b>77,356</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	43,615			174			43,789
Professional education services				950		141	1,091
Professional technical services							
Other purchased services							
Tuition							
General supplies		8	5,480	7,515	202	2,083	15,288
Textbooks							
<b>Total instruction</b>	<b>43,615</b>	<b>8</b>	<b>5,480</b>	<b>8,639</b>	<b>202</b>	<b>2,224</b>	<b>60,168</b>
Support services:							
Other salaries							
Personal services-employee benefits	7,105						7,105
Purchased prof. and educational services	1,794		385	5,000			7,159
Purchase professional and technical services							
Travel	1,740			750	254		2,744
Tuition							
Other purchased services (400-500)							
Supplies and materials		86	94				180
Other objects							
<b>Total support services</b>	<b>10,639</b>	<b>86</b>	<b>459</b>	<b>5,750</b>	<b>254</b>		<b>17,188</b>
Facilities acquisition and const. serv.:							
Instructional equipment							
<b>Total facilities acquisition and const. serv.:</b>							
<b>Total Expenditures</b>	<b>54,254</b>	<b>94</b>	<b>5,939</b>	<b>14,389</b>	<b>456</b>	<b>2,224</b>	<b>77,356</b>
<b>Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)</b>							

**Capital Projects Fund**

**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, 2012**

<b>Revenues and Other Financing Sources:</b>	
Interest earned on investments	\$16,271
Total revenues and other financing sources	<u>16,271</u>
<b>Expenditures and Other Financing (Uses):</b>	
Purchased professional services	593,160
Construction services	6,445,623
Equipment	127,584
Other objects	1,725
Transfer to debt service for interest earned	16,271
Total expenditures and other financing (uses)	<u>7,184,363</u>
Excess (deficiency) or revenues over (under) expenditures	(7,168,092)
Fund Balance - July 1, 2011	<u>7,827,860</u>
Fund Balance - June 30, 2012	<u>\$659,768</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, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant				
Transfer from capital reserve				
Bond proceeds	\$25,858,000		\$25,858,000	\$25,858,000
<b>Total revenues</b>	<u>25,858,000</u>		<u>25,858,000</u>	<u>25,858,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	3,057,930	\$593,160	3,651,090	3,651,090
Construction services	14,423,699	6,573,207	20,996,906	20,996,906
Other Objects	548,511	1,725	550,236	550,236
<b>Total expenditures</b>	<u>18,030,140</u>	<u>7,168,092</u>	<u>25,198,232</u>	<u>25,198,232</u>
<b>Excess (deficiency) or revenues over (under) expenditures</b>	<u>\$7,827,860</u>	<u>(\$7,168,092)</u>	<u>\$659,768</u>	<u>\$659,768</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/09/08			
Bonds Authorized	\$25,858,000			
Bonds Issued	\$25,858,000			
Original Authorized Cost	\$25,858,000			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$25,858,000			
<b>Percentage Increase over Original</b>				
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**  
**Summary Statement of Project Expenditures**  
**Year Ended June 30, 2012**

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<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	<u>\$25,858,000</u>	<u>\$18,030,140</u>	<u>\$7,168,092</u>	<u>\$659,768</u>
Total		<u>\$25,858,000</u>	<u>\$18,030,140</u>	<u>\$7,168,092</u>	<u>\$659,768</u>

**Proprietary Funds**

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Fund**  
**Food Services**  
Statement of Net Assets  
as of June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$397,614	\$400,912
Accounts receivable:		
State	390	
Federal	8,224	
Other	3,613	2,592
Interfund		
Inventories	<u>10,290</u>	<u>11,683</u>
Total current assets	<u>420,131</u>	<u>415,187</u>
Fixed assets:		
Equipment	573,433	535,039
Less Accumulated depreciation	<u>(396,505)</u>	<u>(370,780)</u>
Total fixed assets	<u>176,928</u>	<u>164,259</u>
Total assets	<u><u>\$597,059</u></u>	<u><u>\$579,446</u></u>
<b>LIABILITIES:</b>		
Current liabilities:		
Deferred revenue	<u>8,691</u>	<u>6,605</u>
Total current liabilities	<u>8,691</u>	<u>6,605</u>
<b>NET ASSETS:</b>		
Invested in capital assets	176,928	164,259
Unreserved retained earnings	<u>411,440</u>	<u>408,582</u>
Total Net assets	<u><u>\$588,368</u></u>	<u><u>\$572,841</u></u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Fund**  
**Food Services**

Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets  
for the Fiscal Years ended June 30, 2012 and 2011

	2012	2011
<b>OPERATING REVENUES:</b>		
Local sources:		
Daily sales-reimbursable programs:		
School lunch program	\$394,518	\$387,403
Total-daily sales-reimbursable programs	394,518	387,403
Daily sales non-reimbursable programs	309,403	310,035
Total operating revenue	703,921	697,438
<b>OPERATING EXPENSES:</b>		
Salaries	440,826	400,016
Benefits		
Supplies and materials	30,947	34,770
Depreciation	25,725	28,255
Management fee	47,633	47,301
Purchased professional services		10,700
Repairs and maintenance of equipment	10,034	5,494
Cost of sales	428,713	387,369
Direct services	31,619	24,827
Other		94
Total operating expenses	1,015,497	938,826
Operating income (loss)	(311,576)	(241,388)
<b>Non-operating revenues:</b>		
State sources:		
State school lunch program	11,142	11,427
Federal sources:		
National school lunch program	238,621	225,457
U.S.D.A. commodities	75,230	50,541
Interest revenue	2,110	3,963
Total non-operating revenues	327,103	291,388
Net income (loss)	15,527	50,000
Net assets - July 1	572,841	522,841
Net Assets - June 30	\$588,368	\$572,841

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Enterprise Fund**  
**Food Services**  
**Statement of Cash Flows**  
for the Fiscal Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash receipts from customers	\$704,986	\$700,465
Cash payments to employees for services	(440,826)	(400,016)
Cash payments to suppliers for goods and services	<u>(472,323)</u>	<u>(457,829)</u>
Net cash used by operating activities	<u>(208,163)</u>	<u>(157,380)</u>
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements	<u>241,149</u>	<u>256,210</u>
Net cash provided by noncapital financing activities	<u>241,149</u>	<u>256,210</u>
Cash flows from capital financing activities:		
Purchases of fixed assets	<u>(38,394)</u>	<u>-</u>
Net cash used by capital financing activities	<u>(38,394)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	<u>2,110</u>	<u>3,963</u>
Net cash provided by investing activities	<u>2,110</u>	<u>3,963</u>
Net increase (decrease) in cash and cash equivalents	(3,298)	102,793
Cash and cash equivalents, July 1	<u>400,912</u>	<u>298,119</u>
Cash and cash equivalents, June 30	<u><u>\$397,614</u></u>	<u><u>\$400,912</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(\$311,576)	(\$241,388)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation	25,725	28,255
Federal commodities	75,230	50,541
Change in assets and liabilities:		
(Increase)/decrease in accounts receivable	(1,021)	2,460
(Increase)/decrease in inventory	1,393	2,186
Increase/(decrease) in accounts payable		
Increase/(decrease) in deferred revenue	<u>2,086</u>	<u>566</u>
Net cash used by operating activities	<u>(208,163)</u>	<u>(157,380)</u>

**Fiduciary Funds**

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Net Assets**  
**June 30, 2012**  
(With comparative totals for June 30, 2011)

	<u>Agency Funds</u>		<u>Employee Benefit Trust Funds</u>		<u>Totals</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>Unemployment Compensation</u>	<u>Flexible Benefits</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS:</b>						
Cash and cash equivalents	<u>\$313,676</u>	<u>\$170,469</u>	<u>\$245,207</u>	<u>---</u>	<u>\$729,352</u>	<u>\$713,650</u>
<b>TOTAL ASSETS</b>	<b><u>\$313,676</u></b>	<b><u>\$170,469</u></b>	<b><u>\$245,207</u></b>	<b><u>---</u></b>	<b><u>\$729,352</u></b>	<b><u>\$713,650</u></b>
<b>LIABILITIES:</b>						
Accounts payable			15,122		15,122	16,018
Payroll deductions and withholdings		163,259			163,259	143,196
Interfund payable		7,210			7,210	250
Due to student groups	<u>313,676</u>				<u>313,676</u>	<u>287,960</u>
<b>Total liabilities</b>	<b><u>313,676</u></b>	<b><u>170,469</u></b>	<b><u>15,122</u></b>		<b><u>499,267</u></b>	<b><u>447,424</u></b>
<b>NET ASSETS:</b>						
Restricted for:						
Reserved for unemployment claims			<u>230,085</u>		<u>230,085</u>	<u>266,226</u>
<b>Total net assets</b>	<b><u>---</u></b>	<b><u>---</u></b>	<b><u>\$230,085</u></b>	<b><u>---</u></b>	<b><u>\$230,085</u></b>	<b><u>\$266,226</u></b>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Comparative Statement of Changes in Fiduciary Net Assets**  
**for the Fiscal Years ended June 30, 2012 and 2011**

	Unemployment Compensation Insurance Trust	Flexible Benefits Trust Fund	Totals	
			2012	2011
<b>REVENUES:</b>				
Local sources:				
Employee contributions	\$33,558	\$7,407	\$40,965	\$31,626
Board contributions				
Interest on Investments	1,400		1,400	3,413
<b>Total Revenues</b>	<b>34,958</b>	<b>7,407</b>	<b>42,365</b>	<b>35,039</b>
<b>EXPENDITURES:</b>				
Current Expense:				
Undistributed Expenditures:				
Claims paid	71,099	7,407	78,506	96,067
<b>Total Expenditures</b>	<b>71,099</b>	<b>7,407</b>	<b>78,506</b>	<b>96,067</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(36,141)</b>		<b>(36,141)</b>	<b>(61,028)</b>
<b>Total net assets - July 1</b>	<b>266,226</b>		<b>266,226</b>	<b>327,254</b>
<b>Total net assets - June 30</b>	<b>\$230,085</b>	<b>-</b>	<b>\$230,085</b>	<b>\$266,226</b>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2012</u>	<u>Balance June 30, 2012</u>
Delran School District					
Activity Funds	\$286,604	\$670,312	\$649,063		\$307,853
Athletic Funds	1,356	97,941	93,474		5,823
<b>Total</b>	<u>\$287,960</u>	<u>\$768,253</u>	<u>\$742,537</u>	<u>---</u>	<u>\$313,676</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$143,446</u>	<u>\$26,838,329</u>	<u>\$26,811,306</u>	<u>\$170,469</u>
<b>Total assets</b>	<u><u>\$143,446</u></u>	<u><u>\$26,838,329</u></u>	<u><u>\$26,811,306</u></u>	<u><u>\$170,469</u></u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	143,196	13,677,264	13,657,201	163,259
Net payroll		13,152,022	13,152,022	
Interfund payable	<u>250</u>	<u>9,043</u>	<u>2,083</u>	<u>7,210</u>
<b>Total liabilities</b>	<u><u>\$143,446</u></u>	<u><u>\$26,838,329</u></u>	<u><u>\$26,811,306</u></u>	<u><u>\$170,469</u></u>

**Long-Term Debt Schedules**

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2012**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	11/1/1998	\$7,095,000	07/15/2012	\$690,000	4.20%	\$3,550,000		\$700,000	\$2,850,000
			07/15/2013	730,000	4.20%				
			07/15/2014	720,000	4.20%				
			07/15/2015	710,000	4.25%				
Refunding Bonds	9/15/2005	\$3,715,000	01/15/2013	\$230,000	4.000%	3,260,000		215,000	3,045,000
			01/15/2014	230,000	4.000%				
			01/15/2015	245,000	4.000%				
			01/15/2016	255,000	4.000%				
			01/15/2017	265,000	4.000%				
			01/15/2018	275,000	4.000%				
			01/15/2019	285,000	4.000%				
			01/15/2020	300,000	4.000%				
			01/15/2021	310,000	4.000%				
			01/15/2022	320,000	4.000%				
			01/15/2023	330,000	4.050%				
Balance Forward						<u>\$6,810,000</u>	<u>-</u>	<u>\$915,000</u>	<u>\$5,895,000</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
 Statement of Serial Bonds  
 June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
Balance brought forward						\$6,810,000		\$915,000	\$5,895,000
School Bonds	7/15/10	\$25,858,000	07/15/2012	\$305,000	4.000%	25,808,000		260,000	25,548,000
			07/15/2013	315,000	4.000%				
			07/15/2014	365,000	4.000%				
			07/15/2015	420,000	4.000%				
			07/15/2016	1,160,000	4.000%				
			07/15/2017	1,210,000	4.000%				
			07/15/2018	1,260,000	4.000%				
			07/15/2019	1,305,000	4.000%				
			07/15/2020	1,365,000	4.000%				
			07/15/2021	1,420,000	4.125%				
			07/15/2022	1,480,000	4.125%				
			07/15/2023	1,885,000	4.125%				
			07/15/2024	1,965,000	4.125%				
			07/15/2025	2,045,000	4.125%				
			07/15/2026	2,130,000	4.250%				
			07/15/2027	2,215,000	4.250%				
			07/15/2028	2,305,000	4.375%				
			07/15/2029	2,398,000	4.500%				
						<u>\$32,618,000</u>	<u>-</u>	<u>\$1,175,000</u>	<u>\$31,443,000</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
 Statement of Capital Leases  
 June 30, 2012

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
Energy Conservation	6.060%	\$300,000	\$129,057		\$24,185	\$104,872
Computer Lease	1.500%	473,178	<u>157,444</u>		<u>157,444</u>	
Total			<u>\$286,501</u>	<u>-</u>	<u>\$181,629</u>	<u>\$104,872</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$1,864,473		\$1,864,473	\$1,864,473	
Miscellaneous					
<b>Total revenues - local sources</b>	<u>1,864,473</u>		<u>1,864,473</u>	<u>1,864,473</u>	
State sources:					
Debt service aid type II	485,496		485,496	485,496	
<b>Total revenues - state sources</b>	<u>485,496</u>		<u>485,496</u>	<u>485,496</u>	
<b>Total Revenues</b>	<u>2,349,969</u>		<u>2,349,969</u>	<u>2,349,969</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest on bonds	1,249,156		1,249,156	1,249,154	\$2
Redemption of principal	1,344,790		1,344,790	1,344,788	2
<b>Total Expenditures</b>	<u>2,593,946</u>		<u>2,593,946</u>	<u>2,593,942</u>	<u>4</u>
Excess (Deficiency) of revenues over (under) expenditures	(243,977)		(243,977)	(243,973)	4
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund				16,271	16,271
<b>Total Other Financing Sources (Uses)</b>				<u>16,271</u>	<u>16,271</u>
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(243,977)		(243,977)	(227,702)	16,275
Fund Balances, July 1	412,472		412,472	412,472	
Fund Balances, June 30	<u>\$168,495</u>		<u>\$168,495</u>	<u>\$184,770</u>	<u>\$16,275</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>(\$243,977)</u>		<u>(\$243,977)</u>	<u>(\$227,702)</u>	<u>\$16,275</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
**Statement of EDA Loans Payable**  
**June 30, 2012**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Rate of Interest</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
Small Project	08/18/1993	\$867,788	07/15/2012 07/15/2013	\$61,544 64,290	5.288%	\$184,764		\$58,930	\$125,834
Safe Program	08/18/1993	289,263	7/15/12-2013	15,224	1.500%	45,673		15,224	30,449
						\$230,437	-	\$74,154	\$156,283

**Statistical Section**

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 4,296,229	\$ 4,284,853	\$ 3,925,853	\$ 2,588,697	\$ 3,295,488	\$ 4,226,078	\$ 5,221,496	\$ (14,312,597)	\$ (967,535)	\$ 7,020,702
Restricted for:										
Special revenue	(8,917)	(3,264)	(3,264)	(3,264)	(3,264)	(3,264)	-	-	-	-
Capital projects	350,789	184,135	184,135	189,971	189,971	849,032	1,356,230	21,479,919	9,217,174	2,507,499
Debt service	81,098	(270,481)	54,335	78,480	(10,342)	(52,579)	(86,248)	(701,109)	(213,011)	184,770
Other purposes	1,340,743	2,854,246	4,338,975	4,578,650	7,062,578	7,915,528	7,282,414	3,875,254	2,529,736	3,466,309
Unrestricted	700,813	(340,613)	(726,702)	(773,946)	(721,550)	(683,683)	(1,728,251)	(788,526)	(342,961)	(1,166,724)
<b>Total governmental activities net assets</b>	<b>\$ 6,760,755</b>	<b>\$ 6,708,876</b>	<b>\$ 7,771,132</b>	<b>\$ 6,656,588</b>	<b>\$ 9,812,879</b>	<b>\$ 12,251,112</b>	<b>\$ 12,045,641</b>	<b>\$ 9,552,941</b>	<b>\$ 10,223,403</b>	<b>\$ 12,012,556</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 136,144	\$ 232,939	\$ 188,486	\$ 288,264	\$ 256,477	\$ 224,670	\$ 195,690	\$ 192,514	\$ 164,259	\$ 176,928
Unrestricted	\$ 155,629	\$ 91,117	\$ 134,816	\$ 135,123	\$ 170,470	\$ 195,764	\$ 273,440	\$ 330,327	\$ 408,582	\$ 411,440
<b>Total business-type activities net assets</b>	<b>\$ 291,773</b>	<b>\$ 324,056</b>	<b>\$ 333,302</b>	<b>\$ 423,407</b>	<b>\$ 426,947</b>	<b>\$ 420,434</b>	<b>\$ 469,130</b>	<b>\$ 522,841</b>	<b>\$ 572,841</b>	<b>\$ 588,368</b>
<b>District-wide:</b>										
Invested in capital assets, net of related debt	\$ 4,432,373	\$ 4,517,792	\$ 4,124,139	\$ 2,876,981	\$ 3,551,963	\$ 4,450,748	\$ 5,417,186	\$ (14,120,083)	\$ (803,276)	\$ 7,197,630
Restricted:										
Special revenue	(8,917)	(3,264)	(3,264)	(3,264)	(3,264)	(3,264)	-	-	-	-
Capital projects	350,789	184,135	184,135	189,971	189,971	849,032	1,356,230	21,479,919	9,217,174	2,507,499
Debt service	81,098	(270,481)	54,335	78,480	(10,342)	(52,579)	(86,248)	(701,109)	(213,011)	184,770
Other purposes	1,340,743	2,854,246	4,338,975	4,578,650	7,062,578	7,915,528	7,282,414	3,875,254	2,529,736	3,466,309
Unrestricted	656,442	(249,496)	(591,886)	(638,823)	(551,080)	(487,919)	(1,454,811)	(458,199)	65,621	(755,284)
<b>Total district net assets</b>	<b>\$ 7,052,528</b>	<b>\$ 7,032,932</b>	<b>\$ 8,104,434</b>	<b>\$ 7,081,995</b>	<b>\$ 10,239,826</b>	<b>\$ 12,671,546</b>	<b>\$ 12,514,771</b>	<b>\$ 10,075,782</b>	<b>\$ 10,796,244</b>	<b>\$ 12,600,924</b>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>										
<b>Governmental activities:</b>										
<b>Instruction:</b>										
Regular	\$ 12,276,744	\$ 13,379,479	\$ 14,441,904	\$ 12,470,692	\$ 12,380,846	\$ 13,161,949	\$ 14,396,344	\$ 13,033,488	\$ 12,943,169	\$ 12,361,189
Special education	1,730,791	1,918,419	2,138,033	2,110,993	2,109,361	2,330,219	3,201,869	3,795,323	3,572,329	3,587,291
Other instruction	797,747	854,843	1,025,332	788,041	790,876	890,677	1,013,788	1,187,641	1,101,835	1,128,614
<b>Support Services:</b>										
Tuition	1,231,825	1,395,178	1,464,486	1,262,825	1,242,768	1,284,943	1,495,174	1,081,770	1,356,143	1,745,432
Student & instruction related services	2,754,060	2,999,854	3,527,780	3,760,279	3,535,523	3,922,247	3,751,828	4,399,657	3,966,987	4,148,865
School administrative services	1,551,296	1,396,614	1,466,762	1,871,216	1,164,681	1,208,038	1,322,191	1,336,227	1,356,442	1,432,907
General and business administrative services	808,401	1,443,480	1,756,597	773,888	1,412,575	1,418,003	1,414,539	1,545,657	1,400,947	1,407,930
Plant operations and maintenance	2,911,894	3,543,383	3,761,686	4,454,796	3,318,621	3,607,123	3,803,935	3,757,852	3,837,723	3,629,140
Pupil transportation	1,609,664	1,885,439	2,489,856	2,005,501	1,988,912	2,082,499	2,471,071	2,226,338	2,496,052	2,665,982
Business and other support services	709,575	705,152	-	-	-	-	-	-	-	-
Unallocated employee benefits	-	-	-	5,989,623	6,283,323	7,210,921	7,031,078	7,900,143	8,182,693	8,211,029
Special schools	-	-	-	-	-	-	-	-	-	-
Charter schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	710,548	820,897	565,170	507,006	480,644	439,578	388,309	1,379,222	1,360,773	1,321,345
Unallocated depreciation	58,701	61,353	60,960	67,865	68,588	64,480	63,600	67,622	66,101	65,478
<b>Total governmental activities expenses</b>	<b>27,251,244</b>	<b>30,304,091</b>	<b>32,718,566</b>	<b>36,042,725</b>	<b>34,776,728</b>	<b>37,620,675</b>	<b>40,353,726</b>	<b>41,710,950</b>	<b>41,641,194</b>	<b>41,705,202</b>
<b>Business-type activities:</b>										
Food service	719,887	770,373	812,424	873,115	881,220	923,356	966,803	993,206	938,826	1,015,497
<b>Total business-type activities expense</b>	<b>719,887</b>	<b>770,373</b>	<b>812,424</b>	<b>873,115</b>	<b>881,220</b>	<b>923,356</b>	<b>966,803</b>	<b>993,206</b>	<b>938,826</b>	<b>1,015,497</b>
<b>Total district expenses</b>	<b>\$ 27,971,131</b>	<b>\$ 31,074,464</b>	<b>\$ 33,530,990</b>	<b>\$ 36,915,840</b>	<b>\$ 35,637,948</b>	<b>\$ 38,744,031</b>	<b>\$ 41,320,529</b>	<b>\$ 42,704,156</b>	<b>\$ 42,580,020</b>	<b>\$ 42,720,699</b>
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	2,833,479	\$ 2,662,066	\$ 3,104,112	3,805,024	4,492,975	5,068,069	3,993,923	4,630,190	4,418,345	4,655,117
<b>Total governmental activities program revenues</b>	<b>2,833,479</b>	<b>2,662,066</b>	<b>3,104,112</b>	<b>3,805,024</b>	<b>4,492,975</b>	<b>5,068,069</b>	<b>3,993,923</b>	<b>4,630,190</b>	<b>4,418,345</b>	<b>4,655,117</b>

(Continued)

**Detran Township School District**  
**Changes in Net Assets, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-type activities:</b>										
Charges for services:										
Food service		648,008	669,204	679,885	684,291	699,247	753,695	732,684	697,438	703,921
Operating grants and contributions	610,128	154,148	150,323	157,412	173,003	212,821	259,573	311,084	287,425	324,993
Capital grants and contributions	131,139									
Total business-type activities program revenues	741,267	802,156	819,527	837,277	857,294	911,068	1,013,268	1,043,768	984,863	1,028,914
Total district program revenues	<u>\$ 3,574,746</u>	<u>\$ 3,664,222</u>	<u>\$ 3,923,639</u>	<u>4,642,301</u>	<u>5,350,263</u>	<u>5,979,137</u>	<u>5,007,191</u>	<u>5,673,958</u>	<u>5,403,208</u>	<u>5,684,031</u>
<b>Not (Expense)/Revenue:</b>										
Governmental activities	\$ (24,417,765)	(27,442,025)	(29,614,454)	(32,237,701)	(30,283,753)	(32,752,606)	(38,359,803)	(37,080,760)	(37,222,849)	(37,050,085)
Business-type activities	21,380	31,783	7,103	(35,838)	(3,926)	(12,288)	46,465	50,562	46,037	13,417
Total district-wide net expense	<u>\$ (24,396,385)</u>	<u>(27,410,242)</u>	<u>(29,607,351)</u>	<u>(32,273,539)</u>	<u>(30,287,679)</u>	<u>(32,764,894)</u>	<u>(38,313,338)</u>	<u>(37,030,198)</u>	<u>(37,176,812)</u>	<u>(37,036,668)</u>
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental activities:										
Property taxes levied for general purposes, not	\$ 15,203,439	17,545,467	20,230,922	20,668,867	22,780,246	23,729,696	22,966,971	24,062,969	24,790,975	25,383,164
Taxes levied for debt service	946,624	1,014,882	1,079,175	1,094,990	1,095,818	1,121,154	1,112,255	1,061,880	2,084,404	1,864,473
Unrestricted grants and contributions	7,874,947	8,873,139	9,142,045	8,892,981	8,966,317	9,465,504	10,959,286	8,909,354	10,436,232	11,330,345
Investment earnings	42,438	18,857	109,711	261,326	376,447	333,393	149,001	376,633	249,539	45,438
Miscellaneous income	159,258	240,551	114,857	206,993	219,216	541,092	966,819	177,224	332,161	215,820
Transfers										
Total governmental activities	<u>24,226,706</u>	<u>27,692,696</u>	<u>30,678,710</u>	<u>31,125,157</u>	<u>33,438,044</u>	<u>35,190,639</u>	<u>38,154,332</u>	<u>34,588,060</u>	<u>37,893,311</u>	<u>38,839,238</u>
Business-type activities:										
Investment earnings	1,275	500	2,143	4,338	7,466	5,775	2,231	3,149	3,963	2,110
Transfers										
Total business-type activities	<u>1,275</u>	<u>500</u>	<u>2,143</u>	<u>4,338</u>	<u>7,466</u>	<u>5,775</u>	<u>2,231</u>	<u>3,149</u>	<u>3,963</u>	<u>2,110</u>
Total district-wide	<u>\$ 24,227,981</u>	<u>\$ 27,693,396</u>	<u>\$ 30,678,853</u>	<u>31,129,495</u>	<u>33,445,510</u>	<u>35,196,614</u>	<u>38,156,563</u>	<u>34,591,209</u>	<u>37,897,274</u>	<u>38,841,348</u>
<b>Change in Net Assets:</b>										
Governmental activities	\$ (191,059)	\$ 250,871	\$ 1,062,256	(1,112,544)	3,154,291	2,438,233	(205,471)	(2,492,700)	670,462	1,789,153
Business-type activities	22,855	32,283	9,248	(31,500)	3,540	(6,513)	48,696	53,711	50,000	15,527
Total district-wide	<u>\$ (168,404)</u>	<u>\$ 283,154</u>	<u>\$ 1,071,502</u>	<u>(1,144,044)</u>	<u>3,157,831</u>	<u>2,431,720</u>	<u>(156,775)</u>	<u>(2,438,989)</u>	<u>720,462</u>	<u>1,804,680</u>

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund:</b>										
Reserved for:										
Encumbrances	\$ 458,091	\$ 74,058	\$ 35,884	\$ 181,285	\$ 335,644	\$ 59,051	\$ 312,789	\$ 57,849	\$ 44,859	\$ 105,738
Maintenance reserve						300,000	300,000	300,000	300,000	300,000
Capital reserve						600,000	1,107,198	1,118,432	1,389,314	1,847,731
Legally restricted	60,525	30,480			40,859	13,839	257,647	247,093	600,000	400,000
Excess surplus	822,127	2,388,095	3,919,312	4,397,365	6,685,975	7,542,638	6,411,978	3,270,312	1,584,877	2,660,571
Unreserved	1,044,616	533,739	555,196	228,572	252,457	287,635	(117,525)	(176,790)	103,435	(33,044)
<b>Total general fund</b>	<b>\$ 2,385,359</b>	<b>\$ 3,026,372</b>	<b>\$ 4,510,392</b>	<b>\$ 4,807,222</b>	<b>\$ 7,315,035</b>	<b>\$ 8,803,163</b>	<b>\$ 8,272,087</b>	<b>\$ 4,816,896</b>	<b>\$ 4,022,485</b>	<b>\$ 5,280,956</b>
<b>All Other Governmental Funds</b>										
Reserved:										
Encumbrances								\$ 5,267,712	\$ 5,267,712	\$ 532,688
Debt service reserve	\$ 171,355	\$ 170,447	\$ 170,447	\$ 171,721	\$ 174,692	\$ 105,500	\$ 105,500			
Unreserved, reported in:										
Special revenue fund	(8,917)	(3,264)	(3,264)	(3,264)	(3,264)	(3,264)	-	-	-	-
Capital projects fund	179,434	184,135	184,135	189,971	189,971	143,532	143,532	2,560,148	2,560,148	127,080
Debt service fund	81,098	24,691	40,186	55,057	34,470	146,006	88,765	412,472	412,472	184,770
<b>Total all other governmental funds</b>	<b>\$ 422,970</b>	<b>\$ 376,009</b>	<b>\$ 391,504</b>	<b>\$ 413,485</b>	<b>\$ 385,869</b>	<b>\$ 391,774</b>	<b>\$ 337,797</b>	<b>\$ 8,240,332</b>	<b>\$ 8,240,332</b>	<b>\$ 844,538</b>

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

**Exhibit J-4**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues</b>										
Tax levy	\$ 16,150,063	\$ 18,560,349	\$ 21,310,097	\$ 21,763,857	\$ 23,876,064	\$ 24,850,850	\$ 24,079,226	\$ 25,124,849	\$ 26,875,379	\$ 27,247,637
Tuition charges	8,473	34,396	13,511	13,164	40,900	23,982	19,847	7,929	17,962	45,436
Interest earnings	21,646	18,857	109,711	261,326	395,862	333,393	149,001	249,459	173,375	57,426
Miscellaneous	174,047	171,649	101,346	193,829	165,233	522,481	956,133	296,469	400,240	170,106
State sources	10,488,871	11,454,096	11,906,610	11,887,800	12,580,096	13,646,901	14,010,276	10,290,352	13,538,492	14,430,812
Federal sources	602,870	684,736	749,066	810,205	872,644	881,301	933,772	3,249,192	1,306,208	1,542,938
<b>Total revenue</b>	<u>27,445,970</u>	<u>30,924,083</u>	<u>34,190,341</u>	<u>34,930,181</u>	<u>37,931,019</u>	<u>40,258,908</u>	<u>40,148,255</u>	<u>39,218,250</u>	<u>42,311,656</u>	<u>43,494,355</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	9,541,104	10,315,055	10,776,010	11,789,308	11,682,456	12,588,255	13,190,862	13,133,971	12,219,571	11,896,904
Special education instruction	1,397,996	1,547,320	1,736,708	1,993,590	2,109,361	2,330,219	3,201,869	3,795,323	3,572,329	3,587,291
Other instruction	668,088	689,482	832,869	768,041	790,876	890,677	1,013,788	1,187,641	1,101,835	1,128,614
<b>Support Services:</b>										
Tuition	1,231,825	1,395,178	1,464,466	1,262,825	1,242,768	1,284,943	1,495,174	1,081,770	1,356,143	1,745,432
Student & instruction related services	2,343,482	2,419,562	2,865,589	3,215,145	3,535,523	3,922,247	3,751,828	4,399,657	3,966,987	4,148,865
School administrative services	1,240,024	1,126,453	1,191,440	1,207,143	1,164,681	1,208,038	1,322,191	1,336,227	1,356,442	1,407,930
General and business admin. services	1,391,129	1,066,211	1,358,984	1,354,814	1,327,956	1,332,288	1,330,582	1,466,900	1,325,230	1,358,437
Plant operations and maintenance	2,613,541	2,738,208	2,974,677	3,218,575	3,254,389	3,913,069	3,733,580	3,942,649	3,671,948	3,300,342
Pupil transportation	1,599,002	1,601,375	2,045,134	2,005,501	1,888,912	2,082,499	2,471,071	2,226,338	2,496,052	2,665,982
Employee benefits	3,779,697	5,527,793	5,393,640	5,989,623	6,283,323	7,210,921	7,031,078	7,900,143	8,182,693	8,211,029
Capital outlay	490,248	111,337	891,799	1,949,424	577,093	855,066	627,153	6,492,769	13,604,868	7,586,870
<b>Debt service:</b>										
Principal	726,173	742,815	809,580	702,187	978,164	1,035,158	1,152,271	1,164,415	1,929,409	1,344,788
Interest and other charges	710,546	650,121	590,390	705,194	505,320	460,495	411,881	360,116	936,725	1,249,154
<b>Total expenditures</b>	<u>27,732,855</u>	<u>29,960,910</u>	<u>32,931,306</u>	<u>36,161,370</u>	<u>35,440,822</u>	<u>39,111,875</u>	<u>40,733,308</u>	<u>48,487,919</u>	<u>55,720,232</u>	<u>49,631,638</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<u>(286,885)</u>	<u>963,173</u>	<u>1,259,035</u>	<u>(1,231,189)</u>	<u>2,490,197</u>	<u>1,147,033</u>	<u>(585,053)</u>	<u>(9,269,669)</u>	<u>(13,408,576)</u>	<u>(6,137,283)</u>
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	650,000	1,550,000	-	-	-	25,858,000	-	-
Accrued interest on sale of bonds	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	337,000	-	473,178	-	-
Transfers in	-	37,037	-	-	16,464	129,422	5,523	487,257	168,493	16,271
Transfers out	-	-	-	-	(16,464)	(129,422)	(5,523)	(487,257)	(168,493)	(16,271)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>37,037</u>	<u>650,000</u>	<u>1,550,000</u>	<u>-</u>	<u>337,000</u>	<u>-</u>	<u>28,331,178</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (286,885)</u>	<u>\$ 1,000,210</u>	<u>\$ 1,909,035</u>	<u>\$ 318,811</u>	<u>\$ 2,490,197</u>	<u>\$ 1,484,033</u>	<u>\$ (585,053)</u>	<u>\$ 17,061,509</u>	<u>\$ (13,408,576)</u>	<u>\$ (6,137,283)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	5.27%	4.67%	4.37%	4.11%	4.26%	3.91%	3.90%	3.63%	6.81%	6.17%

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>Sale of Used Equipment</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$ 64,084	\$ 8,473	\$ 35,563	\$ 110	\$ 8,075	\$ 45,431		\$ 39,960	\$ 201,696
2004	18,857	34,396	38,426	500	20,674	64,005		39,588	216,446
2005	109,711	13,511		13,379	18,273	67,455	\$ 504	1,735	224,568
2006	261,326	13,164		16,014	28,147	73,924		56,889	449,464
2007	376,447	40,900	33,780	80,081	13,603	28,974		2,354	576,139
2008	319,602	23,982	1,019	480,577	15,951	9,928	5,104	4,531	860,694
2009	143,478	19,847	31,500	859,384	12,284	32,663		10,916	1,110,072
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
	<u>\$ 1,293,505</u>	<u>\$ 162,202</u>	<u>\$ 156,515</u>	<u>\$ 590,661</u>	<u>\$ 117,007</u>	<u>\$ 289,717</u>	<u>\$ 5,608</u>	<u>\$ 145,057</u>	<u>\$ 2,529,007</u>

**Source: District records**

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

Exhibit J-6

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Ofarm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities a</b>	<b>Net Valuation Taxable</b>	<b>Tax- Exempt Property</b>	<b>Total Direct School Tax Rate b</b>	<b>Estimated Actual (County Equalized) Value</b>
2003	\$ 20,206,900	\$ 617,526,188	\$ 1,180,300	\$ 171,750	\$ 148,591,900	\$ 2,376,000	\$ 35,000,000	\$ 825,053,038	\$ 2,262,379	\$ 827,315,417	\$ 53,467,400	\$ 2.098	\$ 947,779,121
2004	15,671,500	645,422,488	1,470,700	167,750	147,227,300	2,376,000	35,000,000	847,335,738	1,975,316	849,311,054	51,714,300	2.348	1,055,230,562
2005	15,137,600	1,179,037,100	2,823,700	184,700	248,448,500	2,869,100	62,667,200	1,511,167,900	2,331,443	1,513,499,343	66,532,500	1.423	1,320,051,210
2006	16,076,800	1,184,659,100	2,823,700	179,900	251,286,400	2,869,100	62,667,200	1,530,562,200	2,132,086	1,532,694,286	87,260,700	1.490	1,556,306,477
2007	11,987,800	1,199,464,900	2,823,700	179,900	268,014,700	2,889,100	62,667,200	1,548,007,300	1,956,648	1,549,963,948	87,338,600	1.572	1,753,458,732
2008	10,615,400	1,207,542,700	2,823,700	179,900	174,869,700	97,679,200	60,038,300	1,553,746,900	2,056,707	1,555,803,607	91,067,000	1.573	1,857,786,056
2009	10,835,400	1,209,423,100	2,823,700	179,900	177,794,200	100,366,400	60,038,300	1,561,481,000	2,232,503	1,563,693,503	92,044,000	1.573	1,879,230,871
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	178,400	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

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			
2003	\$ 1.983	\$ 0.115	\$ 2.098	\$ 0.651	\$ 0.583		\$ 0.129	\$ 3.461
2004	2.229	0.119	2.348	0.681	0.582		0.128	3.739
2005	1.352	0.071	1.423	0.406	0.398	\$ 0.022	0.101	2.350
2006	1.419	0.071	1.490	0.443	0.450	0.022	0.108	2.513
2007	1.501	0.071	1.572	0.561	0.477	0.020	0.123	2.753
2008	1.501	0.072	1.573	0.612	0.465	0.020	0.123	2.793
2009	1.504	0.070	1.573	0.637	0.458	0.020	0.103	2.791
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

**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	2011-2012		Taxpayer	2002-2003	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 49,325,700	3.50%	Hunter's Glen Apartments	24,700,000	3.08%
New Jersey American Water Co.	28,421,800	2.02%	Whitesell Enterprises	19,452,400	2.43%
Whitesell Enterprises	27,843,100	1.98%	New Jersey American Water	17,303,400	2.16%
Hartford Corners	23,391,000	1.66%	Lease Plan (Ball Corp.)	14,446,200	1.80%
Tenby Chase Investors, LLC	16,460,400	1.17%	Simon & Shuster	11,500,000	1.44%
Simon & Shuster	14,358,700	1.02%	Tenby Chase Apartments	10,300,000	1.29%
Amcor Rigid Plastics	14,326,000	1.02%	GMAC Commercial Mortgage	7,797,500	0.97%
Target	9,598,900	0.68%	KIOP Delran LP	6,914,500	0.86%
Lowe's	9,096,200	0.65%	Home Depot	6,132,600	0.77%
KIOP Delran	7,729,400	0.55%	Delran Holding Corporation	5,857,200	0.73%
<b>Total</b>	<b>\$ 200,551,200</b>	<b>14.23%</b>		<b>\$ 124,403,800</b>	<b>15.53%</b>

**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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 14,993,195	\$ 14,993,195	100.00%	-
2004	17,355,206	17,355,206	100.00%	-
2005	19,935,223	19,935,223	100.00%	-
2006	21,536,976	21,536,976	100.00%	-
2007	22,819,961	22,819,961	100.00%	-
2008	24,363,457	24,363,457	100.00%	-
2009	24,465,038	24,465,038	100.00%	-
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%	-

**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		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Capital Leases	EDA Loans	Certificates of Participation Payable	Capital Leases	Total District		
2003	\$ 12,102,000	\$ 278,062	\$ 745,731	\$ 1,715,000	-	\$ 14,840,793	2.37%	900
2004	11,627,000	263,114	687,916	1,505,000	-	14,083,030	2.08%	821
2005	11,077,000	897,240	628,417	1,285,000	-	13,887,657	1.98%	806
2006	10,635,000	2,310,388	567,171	1,055,000	-	14,567,559	1.96%	850
2007	9,965,000	1,875,192	504,007	810,000	-	13,154,199	1.71%	778
2008	9,250,000	1,655,206	438,848	555,000	-	11,899,054	1.49%	709
2009	8,435,000	1,080,728	371,578	285,000	-	10,172,306	1.31%	608
2010	33,483,000	787,700	302,162	-	-	34,572,862	4.31%	2,044
2011	32,618,000	286,501	230,437	-	-	33,134,938	c	1,957
2012	31,443,000	104,872	156,283	-	-	31,704,155	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ 12,102,000	\$ -	\$ 12,102,000	1.46%	734
2004	11,627,000	-	11,627,000	1.37%	678
2005	11,077,000	-	11,077,000	0.73%	643
2006	10,635,000	-	10,635,000	0.69%	621
2007	9,965,000	-	9,965,000	0.64%	590
2008	9,250,000	-	9,250,000	0.59%	551
2009	8,435,000	-	8,435,000	0.54%	504
2010	33,483,000	-	33,483,000	2.14%	1,980
2011	32,618,000	-	32,618,000	2.08%	1,927
2012	31,443,000	-	31,443,000	2.01%	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, 2011**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 13,911,506	100.000%	\$ 13,911,506
Burlington County General Obligation Debt	375,374,050	3.570%	13,400,854
			<hr/>
Subtotal, overlapping debt			27,312,360
<b>Delran Township School District Direct Debt</b>			<hr/> <b>32,618,000</b>
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 59,930,360</b> <hr/>

**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.

<sup>a</sup> 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 2012**

	Equalized valuation basis	
	2011	\$ 1,663,025,109
	2010	1,777,989,999
	2009	1,833,561,531
	[A]	<u>\$ 5,274,576,639</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,758,192,213
Debt limit (4% of average equalized valuation)	[B]	70,327,689 <sup>a</sup>
Net bonded school debt	[C]	<u>31,443,000</u>
Legal debt margin	[B-C]	<u>\$ 38,884,689</u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 33,534,748	\$ 36,740,946	\$ 42,197,079	\$ 50,444,298	\$ 59,839,702	\$ 67,896,609	\$ 72,324,384	\$ 73,785,280	\$ 72,946,567	\$ 70,327,689
Total net debt applicable to limit	<u>12,102,000</u>	<u>11,627,000</u>	<u>11,077,000</u>	<u>10,635,000</u>	<u>10,659,007</u>	<u>9,878,849</u>	<u>34,293,000</u>	<u>33,483,000</u>	<u>32,618,000</u>	<u>31,443,000</u>
Legal debt margin	<u>\$ 21,432,748</u>	<u>\$ 25,113,946</u>	<u>\$ 31,120,079</u>	<u>\$ 39,809,298</u>	<u>\$ 49,180,695</u>	<u>\$ 58,017,760</u>	<u>\$ 38,031,384</u>	<u>\$ 40,302,280</u>	<u>\$ 40,328,567</u>	<u>\$ 38,884,689</u>
Total net debt applicable to the limit as a percentage of debt limit	36.09%	31.65%	26.25%	21.08%	17.81%	14.55%	47.42%	45.38%	44.71%	44.71%

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

<sup>a</sup> Limit set by NJS 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**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2003	16,496	\$ 626,155,168	37,958	4.7%
2004	17,159	678,055,044	39,516	4.3%
2005	17,231	701,060,466	40,686	3.0%
2006	17,130	742,842,450	43,365	3.3%
2007	16,899	767,552,580	45,420	3.0%
2008	16,787	800,286,651	47,673	4.1%
2009	16,728	777,785,088	46,496	7.1%
2010	16,912	801,476,592	47,391	7.5%
2011	16,929	e	e	7.3%
2012	e	e	e	e

**Source:**

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

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

**Exhibit J-16**

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Instruction</b>								
Regular	179	188	196	198	200	204	193	196
Special education	11	12	12	21	27	27	12	12
Other special education	13	13	13	19	22	22	26	31
<b>Support Services:</b>								
Student & instruction related services	29	39	46	49	47	48	75	74
School administrative services	25	17	17	17	17	17	17	17
General and business administrative services	2	2	2	2	2	4	4	4
Plant operations and maintenance	13	12	13	12	12	13	12	12
Pupil transportation	1	1	1	1	1	1	1	1
Business and other support services	10	11	11	9	8	7	9	9
<b>Total</b>	<b>283</b>	<b>295</b>	<b>311</b>	<b>328</b>	<b>336</b>	<b>343</b>	<b>349</b>	<b>356</b>

**Source:** District Personnel Records

Deiran Township School District  
 Operating Statistics,  
 Last Ten Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Senior High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle						
2003	2,582	\$ 25,808,888	\$ 9,996	8.13%	229	1:16	1:14	1:12	1:9	2,639	2,516	5.43%	95.34%	
2004	2,664	28,456,637	10,682	9.66%	231	1:16	1:14	1:12	1:9	2,764	2,622	4.74%	94.86%	
2005	2,762	30,639,537	11,093	3.84%	233	1:16	1:14	1:12	1:12	2,768	2,634	0.14%	95.16%	
2006	2,818	32,804,565	11,641	4.90%	234	1:16	1:14	1:12	1:12	2,805	2,672	1.33%	95.26%	
2007	2,818	33,380,245	11,845	1.70%	222	1:16	1:14	1:13	1:11	2,814	2,670	0.32%	94.88%	
2008	2,850	36,761,156	12,899	8.90%	238	1:16	1:14	1:13	1:12	2,859	2,717	1.60%	95.03%	
2009	2,939	38,542,003	13,114	1.67%	249	1:16	1:14	1:13	1:12	2,891	2,756	1.12%	95.33%	
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	1.09%	239	1:16	1:14	1:11	1:11	2,893	2,812	-0.72%	97.20%	

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).

This schedule does not contain ten years of information as GASB#44 was implemented during the fiscal year ended June 30, 2006

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

**Exhibit J-18**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>District Building</u></b>								
<b><u>Elementary</u></b>								
<b>Delran High School (1975)</b>								
Square Feet	147,355	147,355	147,355	147,355	147,355	147,355	147,355	147,355
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	778	782	782	876	901	900	877	867
<b>Delran Middle School (1960)</b>								
Square Feet	87,800	87,800	87,800	87,800	87,800	87,800	87,800	87,800
Capacity (students)	750	750	750	750	750	750	750	750
Enrollment	698	713	713	694	670	652	661	672
<b>Delran Intermediate School (1996)</b>								
Square Feet	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
Enrollment	646	623	623	600	635	655	663	668
<b>Millbridge Elementary School (1970)</b>								
Square Feet	74,074	74,074	74,074	74,074	74,074	74,074	74,074	74,074
Capacity (students)	945	945	945	945	945	945	945	945
Enrollment	645	688	688	689	686	728	713	686

**Number of Schools at June 30, 2012**

- Elementary = 2
- Middle School = 1
- High School = 1
- Other = 0

**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**

<b>* School Facilities</b>	<b>Project #</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
Delran School District												
Millbridge School	N/A	\$ 411,521	\$ 208,585	\$ 202,431	\$ 243,292	\$ 230,195	\$ 372,824	\$ 194,640	\$ 229,153	\$ 146,740	\$ 139,392	\$ 2,378,773
Intermediate School	N/A	447,305	226,723	220,034	246,448	240,204	389,033	165,444	194,780	124,729	118,483	2,373,183
Middle School	N/A	393,628	199,516	193,629	232,714	220,187	356,614	233,569	274,984	176,088	167,270	2,448,199
High School	N/A	538,766	272,068	284,040	317,336	310,263	502,501	378,549	446,850	286,142	271,815	3,587,330
<b>Total School Facilities</b>		<b>\$ 1,769,220</b>	<b>\$ 906,892</b>	<b>\$ 880,134</b>	<b>\$ 1,039,790</b>	<b>\$ 1,000,849</b>	<b>\$ 1,620,972</b>	<b>\$ 973,202</b>	<b>\$ 1,145,767</b>	<b>\$ 733,699</b>	<b>\$ 696,960</b>	<b>\$ 10,787,485</b>

\* 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, 2012**

**Exhibit J-20**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy - Utica National Insurance</b>		
<b>Commercial Package:</b>		
Property - Blanket Coverage	\$ 75,012,561	\$ 1,000
Flood	2,015,000	25,000
Earthquake	2,000,000	25,000
General Liability	1,000,000/3,000,000	-
Commercial Inland Marine	229,297	250
Crime	100,000	-
Employee Dishonesty	400,000	
School District and Educators Legal Liability	1,000,000/2,000,000	
Abuse and Molestation Liability Coverage	1,000,000/3,000,000	
Employee Benefit Programs Liability	1,000,000/3,000,000	
<b>Business Automobile Coverage - Utica National Insurance</b>	<b>1,000,000/3,000,000</b>	<b>1,000</b>
<b>Worker's Compensation - New Jersey School Board</b>	<b>2,000,000</b>	
<b>Commercial Umbrella Liability - Utica National Insurance</b>	<b>15,000,000</b>	<b>-</b>
<b>Student Accident Coverage - National Union Fire Ins. Co.</b>		
Accident Medical Expense Benefit	6,000,000	
Catastrophe Cash Benefit	1,000,000	
<b>Student Accident Coverage - Berkley Life and Health Ins. Co.</b>		
Interscholastic Sports	250,000	
<b>Surety Bond Coverage's - RLI Insurance Co.</b>		
Treasurer	275,000	
School Business Administrator	300,000	

**Source: District records**

**Single Audit Section**

# ***INVERSO & STEWART, LLC***

**Certified Public Accountants  
Registered Municipal Accountants**

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New Jersey Society of CPAs

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

### **Compliance**

We have audited Delran Township School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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 we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Delran Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the 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, 2012.

## Internal Control Over Compliance

Management of the Delran Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.

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

This report is intended solely for the information and use of the management of the School District, the Division of Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

***INVERSO & STEWART, LLC***  
Certified Public Accountants



Robert P. Inverso  
Public School Accountant

Marlton, New Jersey  
September 5, 2012

**DELTRAN SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2011			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2012		
					Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>U.S. Department of Education</b>															
<b>General Fund:</b>															
Education Jobs Fund	84.410A	N/A	\$408,141	7/1/11 - 6/30/12					\$245,286	(\$408,141)			(\$162,855)		
Medical Assistance Program	93.778	N/A	56,093	7/1/11 - 6/30/12					41,096	(56,093)			(14,997)		
Medical Assistance Program	93.778	N/A	46,178	7/1/10 - 6/30/11	(\$10,683)				10,683						
<b>Total General Fund</b>					<b>(10,683)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>267,065</b>	<b>(484,234)</b>	<b>---</b>	<b>---</b>	<b>(177,852)</b>	<b>---</b>	
<b>U.S. Department of Education</b>															
<b>Special Revenue Fund:</b>															
<b>No Child Left Behind (N.C.L.B.)</b>															
Title I - Current Year	84.010A	NCLB-1060-12	220,814	9/1/11 - 8/31/12					86,770	(115,500)			(26,730)		
Title I - Prior Year	84.010A	NCLB-1060-11	233,533	9/1/10 - 8/31/11	(34,437)				160,087	(125,650)					
Title I - Prior Year	84.010A	NCLB-1060-10	187,445	9/1/09 - 8/31/10	(7,378)				7,378						
Title I - Current Year - ARRA	84.389	ARRA-1060-10	81,562	9/1/09 - 8/31/11		\$26,128				(26,128)					
Title I - SIA - Prior Year	84.010A	NCLB-1060-10	1,803	9/1/09 - 8/31/10	(1,803)				1,803						
Title IIA - Current Year	84.367A	NCLB-1060-12	56,728	9/1/11 - 8/31/12					37,728	(54,254)			(16,526)		
Title IIA - Prior Year	84.367A	NCLB-1060-11	64,488	9/1/10 - 8/31/11	(19,689)				19,689						
Title IIA - Prior Year	84.367A	NCLB-1060-10	62,728	9/1/09 - 8/31/10	(1,154)				457				(697)		
Title IID - Current Year	84.318X	NCLB-1060-11	408	9/1/10 - 8/31/11	(66)				66						
Title IID - Carryover	84.318X	NCLB-1060-10	694	9/1/09 - 8/31/10	(343)				175	(94)			(261)		
Title III - Current Year	84.365A	NCLB-1060-12	17,926	9/1/11 - 8/31/12					9,267	(14,389)			(5,122)		
Title III - Prior Year	84.365A	NCLB-1060-11	18,943	9/1/10 - 8/31/11	(5,794)				5,794						
Title III - Prior Year	84.365A	NCLB-1060-10	17,306	9/1/09 - 8/31/10	(623)				294	(456)			(785)		
Title III - Prior Year	84.365A	NCLB-1060-08	20,007	9/1/07 - 8/31/08	(377)				377						
Title III - Current Year - Immigrant	84.365A	NCLB-1060-12	10,337	9/1/11 - 8/31/12					4,091	(5,939)			(1,848)		
Title IV - Prior Year	84.188A	NCLB-1060-10	7,600	9/1/09 - 8/31/10	(95)				2,323	(2,224)					
<b>Individuals With Disabilities Act (I.D.E.A.)</b>															
Part B - Basic - Current Year	84.027	FT-1060-12	677,182	9/1/11 - 8/31/12					511,916	(661,034)			(149,118)		
Part B - Basic - Prior Year	84.027	FT-1060-11	657,879	9/1/10 - 8/31/11	(150,550)				198,471	(47,921)					
Part B - Preschool - Current Year	84.173	PS-1060-12	23,714	9/1/11 - 8/31/12					19,762	(23,714)			(3,952)		
Part B - Preschool - Prior Year	84.173	PS-1060-11	22,595	9/1/10 - 8/31/11	(4,075)				5,476	(1,401)					
<b>Total Special Revenue Fund</b>					<b>(226,390)</b>	<b>26,128</b>	<b>---</b>	<b>---</b>	<b>1,071,927</b>	<b>(1,078,704)</b>	<b>---</b>	<b>---</b>	<b>(207,039)</b>	<b>---</b>	
<b>U.S. Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
Food Distribution Program	10.550	N/A	75,230	9/1/11 - 6/30/12					75,230	(75,230)					
National School Lunch Program	10.555	N/A	238,621	9/1/11 - 6/30/12					230,397	(238,621)			(\$8,224)		
<b>Total Enterprise Fund</b>					<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>305,627</b>	<b>(313,851)</b>	<b>---</b>	<b>---</b>	<b>(8,224)</b>	<b>---</b>	
<b>Total Federal Awards</b>					<b>(\$237,073)</b>	<b>\$26,128</b>	<b>---</b>	<b>---</b>	<b>\$1,674,618</b>	<b>(\$1,856,789)</b>	<b>---</b>	<b>---</b>	<b>(\$393,115)</b>	<b>---</b>	

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

**DELRAN SCHOOL DISTRICT**  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2011			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2012		
				Accounts Receivable	Deferred Revenue	Due to Grantor at					Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>State Department of Education</b>													
<b>General Fund:</b>													
Extraordinary Aid	12-100-034-5120-473	\$189,661	7/1/11 - 6/30/12						(\$189,661)		(\$189,661)		
Extraordinary Aid	11-100-034-5120-473	229,922	7/1/10 - 6/30/11	(\$229,922)				\$229,922					
Additional Nonpublic Transportation Aid	12-04103190	14,505	7/1/11 - 6/30/12						(14,505)		(14,505)		
Additional Nonpublic Transportation Aid	11-04103190	9,570	7/1/10 - 6/30/11	(9,570)				9,570					
Special Education Categorical Aid	12-495-034-5120-089	1,609,489	7/1/11 - 6/30/12					1,467,012	(1,609,489)		(142,477)		
Special Education Categorical Aid	11-495-034-5120-089	1,609,489	7/1/10 - 6/30/11	(140,446)				140,446					
Equalization Aid	12-495-034-5120-078	9,135,821	7/1/11 - 6/30/12					8,327,088	(9,135,821)		(808,733)		
Equalization Aid	11-495-034-5120-078	8,336,837	7/1/10 - 6/30/11	(726,354)				726,354					
Anti-Bullying Aid	N/A	1,265	7/1/11 - 6/30/12					1,265	(1,265)				
Administrative Wage Freeze	N/A	1,827	7/1/10 - 6/30/11	(913)				913					
On Behalf TPAF - Pension	12-495-034-5095-006	545,340	7/1/11 - 6/30/12					545,340	(545,340)				
On Behalf TPAF - Post Retirement Medical	12-495-034-5095-001	1,096,276	7/1/11 - 6/30/12					1,096,276	(1,096,276)				
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	1,202,313	7/1/11 - 6/30/12					1,148,398	(1,202,313)		(53,915)		
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,168,863	7/1/10 - 6/30/11	(55,728)				55,728					
<b>Total General Fund</b>				<b>(1,162,933)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>13,748,312</b>	<b>(13,794,670)</b>	<b>---</b>	<b>(1,209,291)</b>	<b>---</b>	
<b>Special Revenue Fund</b>													
<b>N.J. Nonpublic Aid:</b>													
Textbook Aid	12-100-034-5120-064	37,784	7/1/11 - 6/30/12					37,784	(31,233)			\$6,551	
Textbook Aid	11-100-034-5120-064	46,211	7/1/10 - 6/30/11			\$1,606				(\$1,606)			
Nursing Aid	12-100-034-5120-070	53,971	7/1/11 - 6/30/12					53,971	(52,254)			1,717	
<b>Auxiliary Services:</b>													
Compensatory Education	12-100-034-5120-067	77,770	7/1/11 - 6/30/12					77,770	(68,047)			9,723	
Compensatory Education	11-100-034-5120-067	123,079	7/1/10 - 6/30/11			38,093				(38,093)			
English as a Second Language	12-100-034-5120-067	690	7/1/11 - 6/30/12					690	(431)			259	
English as a Second Language	11-100-034-5120-067	2,050	7/1/10 - 6/30/11			1				(1)			
Home Instruction	12-100-034-5120-068	5,236	7/1/11 - 6/30/12					3,336	(5,236)		(5,236)		
Home Instruction	11-100-034-5120-068	3,336	7/1/10 - 6/30/11	(3,336)									
<b>Handicapped Services:</b>													
Examination & Classification	12-100-034-5120-066	73,098	7/1/11 - 6/30/12					73,098	(41,706)			31,392	
Examination & Classification	11-100-034-5120-066	61,240	7/1/10 - 6/30/11			7,190				(7,190)			
Corrective Speech	12-100-034-5120-066	10,268	7/1/11 - 6/30/12					10,268	(5,292)			4,976	
Corrective Speech	11-100-034-5120-066	10,170	7/1/10 - 6/30/11			5,085				(5,085)			
Supplemental Instruction	12-100-034-5120-066	44,897	7/1/11 - 6/30/12					44,897	(31,077)			13,820	
Supplemental Instruction	11-100-034-5120-066	50,028	7/1/10 - 6/30/11			16,122				(16,122)			
<b>Total Special Revenue Fund</b>				<b>(3,336)</b>	<b>---</b>	<b>68,097</b>	<b>---</b>	<b>301,814</b>	<b>(235,276)</b>	<b>(68,097)</b>	<b>(5,236)</b>	<b>68,438</b>	

Continued

**DELRAN SCHOOL DISTRICT**  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2011			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2012		
				Accounts Receivable	Deferred Revenue	Due to Grantor at					Accounts Receivable	Deferred Revenue	Due to Grantor at
<b>New Jersey Schools Development Authority</b>													
<b>Capital Projects Fund</b>													
High School	1060-005-05-2000	\$74,644	7/1/07- 6/30/12	(\$74,271)							(\$74,271)		
Milbridge Elementary	1060-005-05-1000	155,926	7/1/07- 6/30/12	(139,554)							(139,554)		
Middle Elementary	1060-005-05-3000	229,294	7/1/07- 6/30/12	(205,218)							(205,218)		
<b>Total Capital Projects Fund</b>				<b>(419,043)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>(419,043)</b>	<b>---</b>	<b>---</b>
<b>Debt Service Fund</b>													
Debt Service Aid Type II	12-495-034-5120-017	485,496	7/1/11 - 6/30/12	---	---	---	---	\$485,496	(\$485,496)	---	---	---	---
<b>State Department of Agriculture</b>													
<b>Enterprise Fund:</b>													
State School Lunch Program	12-100-010-3350-023	11,142	7/1/11 - 6/30/12	---	---	---	---	10,752	(11,142)	---	(390)	---	---
<b>Total Enterprise Fund</b>				<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>10,752</b>	<b>(11,142)</b>	<b>---</b>	<b>(390)</b>	<b>---</b>	<b>---</b>
<b>Total State Financial Assistance</b>				<b>(\$1,585,312)</b>	<b>---</b>	<b>\$68,097</b>	<b>---</b>	<b>\$14,546,374</b>	<b>(\$14,526,584)</b>	<b>(\$68,097)</b>	<b>(\$1,633,960)</b>	<b>---</b>	<b>\$68,438</b>

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, 2012**

**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 OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**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 two 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 (\$84,630) for the general fund and \$-0- for 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. Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$464,234	\$13,710,040	\$14,174,274
Special Revenue	1,078,704	235,276	1,313,980
Debt Service		485,496	485,496
Food Service	313,851	11,142	324,993
<b>Total</b>	<b>\$1,856,789</b>	<b>14,441,954</b>	<b>\$16,298,743</b>

**Delran Township School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012  
(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, 2012. 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, 2012.

**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, 2012**

**Section I --Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

- 1) Material weaknesses identified?            yes   X   no
- 2) Significant deficiencies identified that are not considered to be a material weakness?            yes   X   none reported

Noncompliance material to basic financial statements noted?            yes   X   no

**Federal Awards**

Internal Control over major programs:

- 1) Material weakness(es) identified?            yes   X   no
- 2) Significant deficiencies identified that are not considered to be a material weakness?            yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 ?            yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.A. Part B
84.410A	Education Jobs Fund
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee?   X   yes            no



**DELRAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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 Division of Finance, Department of Education, State of New Jersey.

No findings identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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 OMB Circular A-133 and New Jersey Circular Letter 04-04.

**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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04.

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings

**FEDERAL AWARDS**

There were no prior year audit findings.

**STATE AWARDS**

There were no prior year audit findings.