

**SCHOOL DISTRICT
OF**

**DELRAN
TOWNSHIP**

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

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

**Comprehensive Annual
Financial Report**

of the

Delran Township Board of Education

Delran, New Jersey

For the Fiscal Year Ended June 30, 2015

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

DELRAN TOWNSHIP SCHOOL DISTRICT

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Introductory Section

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

Dr. Brian Brotschul, Superintendent
Dr. Christopher J. Russo, Business Administrator/Board Secretary
Mrs. Paulette Bearer, Interim Director of Student Services
Ms. Linda Gringeri, Director of Curriculum & Instruction

November 16, 2015

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, 2015 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 14-15 fiscal year with an average daily enrollment of 2,979 students, which is 23 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>
2014-2015	2,979	0.78%
2013-2014	2,956	4.16%
2012-2013	2,838	-4.86%
2011-2012	2,983	2.37%
2010-2011	2,914	-0.72%
2009-2010	2,935	1.52%
2008-2009	2,891	1.12%
2007-2008	2,859	1.60%
2006-2007	2,814	0.32%
2005-2006	2,805	0.14%

2) ECONOMIC CONDITION AND OUTLOOK:

There was no noticeable residential or commercial growth during the year. Enrollment increased by 23 students following a decrease in the previous year. During the summer of 2015 new developments were approved on the remaining open land in the community of approximately 40 homes on three properties in town: two on Hartford Road and one on Creek Road. Two are age restricted (both on Hartford) and one is not. This could improve the tax base but could also increase enrollment.

3) MAJOR INITIATIVES: A new superintendent started in December and the then interim superintendent moved to the Middle School to be the interim principal until June 30th. A new principal was hired for a July 1, 2015 start. Also starting July 1st, the DIS vice-principal became the Middle School vice-principal. The Intermediate School and Millbridge Principals switched positions along with the Middle School vice-principal becoming the Intermediate School vice-principal.

The new science supervisor made her mark on the District almost immediately. She oversaw the completion of the DIY (Do It Yourself program) container project and made preparations for it to be shipped to Africa where it will be used as a library and technology center.

Also during the year much work was completed toward obtaining a Sustainable Jersey Schools Bronze designation to date, three grants (\$2,000 to start a rain garden at Millbridge, \$4,000 to start a wellness initiative in the district and the municipality and \$10,000 to continue to improve rainwater run off at Millbridge).

The breakfast programs implemented during the year and previous year had continued success for students K-12 as the District continues to see an increase in “at-risk” youth.

The District received a ROD grant from the Department of Facilities for 48.7% or approximately \$1 million on a \$2 million roofing project for the Middle School to be completed in the summer of 2015.

The District also solicited RFP’s for and Energy Savings Improvement Project (ESIP) as it looks for ways reduce energy costs therefore reducing budget fixed costs.

New vendors were found for the Housekeeping and Janitorial services through the competitive contracting process. The new company’s winning proposal was \$200,000 less than the current contract in place.

The Groundskeeping contract was placed out to bid and a new company won that bid that reduced the current contract by \$25,000.

Teachers at Millbridge, DIS and DMS have engaged in the pilot of the Lucy Calkins Readers and Writers Project language arts curriculum. This method of teaching offers more of an active role of literacy instruction that asks to own their literacy development and empower students in the process. Case in point, at this point in the calendar year, Kindergarten students in this curriculum are already reading.

This curriculum and reading instruction relies on research that shows that kids need to read a lot of texts, with high comprehension, in order to move up levels of text complexity. The reading workshops in this curriculum are structured to allow for students to read (eyes on print) every day for 35-45 minutes in the reading workshop. Volume is vigilantly watched.

At this point there is a high level of engagement with the curriculum as well as appropriate levels of “buy in” from the teacher perspective as we continue to look towards the future and a formal implementation. This curriculum will become a focus for years to come both instructionally and from a fiscal perspective. Outcomes will greatly improve the overall product, especially at the high school level and beyond.

Additionally, the Ti-Nspire program is taking place at the high school level to engage students in Algebra I through a double period, hands on, technology heavy approach. The intent of the curriculum is to increase the percentage of students that have to enter remedial courses when they leave DHS for college.

DHS is endeavoring to start a robotics program and there is now an official club. Additionally, the concept of having K-8 initiatives that are involved in robotics and engineering are being to germinate.

A proposal is being developed for a tuition based summer camp in the area of science, technology, engineering, arts and math. PSEG has supported this initiative with \$5,000 in startup grant funding.

The examination of gifted and talented course options, particularly at the K-8 level is being explored. In the coming weeks additional science instruction in a tuition based after school program will be presented to the Board for consideration for approval in order to support students in these curricular areas.

There has been a development of an education foundation. The Delran Education Foundation has earned 501c (3) status and has planned events in the future to support initiatives that the District can't necessarily fund. The result has been an increased level of community engagement.

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, 2015.

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,



Brian Brotschul, Ed.D.
Superintendent



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

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

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Glenn Kitley, President	2015
Thomas Jackson, Vice-President	2016
Joseph Biluck, Jr.	2017
Mary Melvin	2017
Mark Oberg	2015
Robert Porreca	2015
Amy Rafanello	2015
Tyler Seville	2016
Eileen Wachter	2017

Other Officials

Dr. Brian Brotschul, Superintendent
Christopher Russo, Ed.D. Board Secretary &
School Business Administrator
Dorthea Jones, Treasurer
Jonathan Busch, Solicitor

**DELRAN TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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

Attorney

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

Architect

KDA Architects
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Voorhees, NJ 08043

Official Depository

TD Bank
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Delran, NJ 08075

Financial Section

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delran Township School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, 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 OMB's Circular 04-04 and/or 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 16, 2015 on my consideration of the Delran Township School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delran Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 16, 2015

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 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 16, 2015

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, 2015**

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, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$6,230,556 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$8,719,600. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$647,454 or an 11.60% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the results of operations in the General Fund and repayment of long term debt obligations.
- Fund balance of the School District's governmental funds decreased by \$317,532 resulting in an ending fund balance of \$3,865,337. The majority of the decrease is attributable to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$393,459 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 \$1,291,715 which is the result of principal payments on debt obligations, the decrease of compensated absences and the acquisition of a new capital lease.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2015. 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 2015.

The assets of the primary government activities exceeded liabilities by \$5,662,307 with an unrestricted deficit balance of \$8,719,600. The net position of the primary government does not include internal balances.

A net investment of \$10,712,615 in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,979 public school students. Net position of \$1,331,293 has been restricted to provide resources for future capital expansion and renovation projects while \$2,177,186 has been restricted for budget appropriation, \$156,325 is reserved for maintenance, \$1 is reserved for future debt service, and \$4,487 has been restricted for encumbrances.

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

**Delran Township School District
Comparative Summary of Net Position
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Assets:						
Current assets	\$ 4,018,345	\$ 4,442,243	\$ 407,381	\$ 490,436	\$ 4,425,726	\$ 4,932,679
Capital assets	38,784,490	38,943,354	174,790	214,303	38,959,280	39,157,657
Total assets	42,802,835	43,385,597	582,171	704,739	43,385,006	44,090,336
Deferred Outflows of Resources	895,497				895,497	
Liabilities:						
Current Liabilities	2,264,177	2,282,440	13,922	12,764	2,278,099	2,295,204
Noncurrent Liabilities	35,300,412	28,794,553			35,300,412	28,794,553
Total liabilities	37,564,589	31,076,993	13,922	12,764	37,578,511	31,089,757
Deferred Inflows of Resources	471,436				471,436	
Net position	\$ 5,662,307	\$ 12,308,604	\$ 568,249	\$ 691,975	\$ 6,230,556	\$ 13,000,579
Net position consist of:						
Net investment in						
Capital assets	\$ 10,712,615	\$ 9,582,074	\$ 174,790	\$ 214,303	\$ 10,887,405	\$ 9,796,377
Restricted net position	3,669,292	4,021,008			3,669,292	4,021,008
Unrestricted net position	(8,719,600)	(1,294,478)	393,459	477,672	(8,326,141)	(816,806)
Net position	\$ 5,662,307	\$ 12,308,604	\$ 568,249	\$ 691,975	\$ 6,230,556	\$ 13,000,579

Governmental Activities

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

- Long term debt reduction of \$1,291,715.
- Capital assets had a net decrease of \$158,864.

Business-type Activities

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

- The Food Services Fund had a net loss of \$123,726 for this fiscal year.

Delran Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for services	\$ -	\$ -	\$ 718,271	\$ 703,279	\$ 718,271	\$ 703,279
Operating grants and Contributions	5,459,573	5,020,135	508,483	478,165	5,968,056	5,498,300
General Revenues:						
Property Taxes	30,425,705	28,907,576			30,425,705	28,907,576
Unrestricted State Aid	12,121,250	11,949,588			12,121,250	11,949,588
Tuition	85,960	104,203			85,960	104,203
Other Revenues	98,568	114,363			98,568	114,363
Total Revenues	48,191,056	46,095,865	1,226,754	1,181,444	49,417,810	47,277,309
Expenses:						
Governmental Activities:						
Instruction	18,852,652	18,824,871			18,852,652	18,824,871
Tuition	2,300,538	2,079,494			2,300,538	2,079,494
Related Services	5,389,417	4,802,353			5,389,417	4,802,353
Administrative Services	2,998,630	3,059,857			2,998,630	3,059,857
Operations and Maintenance	3,450,635	4,253,137			3,450,635	4,253,137
Transportation	2,224,397	2,262,203			2,224,397	2,262,203
Employee Benefits	11,000,704	9,802,155			11,000,704	9,802,155
Interest on long-term Debt	1,156,126	1,236,235			1,156,126	1,236,235
Other	46,777	42,481			46,777	42,481
Business-Type Activities:						
Food Service Operations			1,350,480	1,094,819	1,350,480	1,094,819
Total Expenses	47,419,876	46,362,786	1,350,480	1,094,819	48,770,356	47,457,605
Increase (decrease) in net Assets before transfers	771,180	(266,921)	(123,726)	86,625	647,454	(180,296)
Transfers						
Changes in net position	771,180	(266,921)	(123,726)	86,625	647,454	(180,296)
Net position, July 1,	4,891,127	12,575,705	691,975	605,350	5,583,102	13,180,875
Net position, June 30,	\$ 5,662,307	\$ 12,308,604	\$ 568,249	\$ 691,975	\$ 6,230,556	\$ 13,000,579

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 \$3,865,337, a decrease of \$317,532 in comparison with the prior year. Most of this decrease is the result of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of \$196,045 and an unreserved fund balance of \$1 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 \$1,331,293, 2) appropriated as a revenue source in the subsequent year's budget \$1,636,265, 3) reserved for excess surplus in accordance with state statute \$540,921, 4) reserved for encumbrances \$4,487, 5) or reserved for maintenance \$156,325.

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

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$1,280,211, while total fund balance (budgetary basis) was \$4,876,097. 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 \$44,865,036. Unreserved fund balance (budgetary basis) represents 2.85% of expenditures while total fund balance (budgetary basis) represents 10.87% 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, 2015, totaled \$38,959,280 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$198,377, or a 0.51% decrease. The decrease is due to depreciation less current year additions.

Delran Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Construction in Progress	\$ 25,198,232	\$ 25,198,232	\$ -	\$ -	\$ 25,198,232	\$ 25,198,232
Buildings and Building Improvements	12,969,639	12,910,582			12,969,639	12,910,582
Equipment	616,619	834,540	174,790	214,303	791,409	1,048,843
Net position	\$ 38,784,490	\$ 38,943,354	\$ 174,790	\$ 214,303	\$ 38,959,280	\$ 39,157,657

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, 2015, the School District had total bonded debt outstanding of \$27,613,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$458,875, and \$902,383 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 \$62,349,753 and the available borrowing capacity was \$34,736,753.

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 2015-16 fiscal year.

- For the 2015-16 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$967,484 or 3.41%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2015-16 General Fund Budget is \$1,852,458 greater than the previous year or a 4.43% increase. The district tax rate increased from \$2.11 in 2014 to \$2.21 in 2015.

For the Future

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

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

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Delran School District Business Administrator, 52 Hartford Rd., Delran, New Jersey, 08075.

Basic Financial Statements

District-Wide Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 1,853,969	\$ 367,208	\$ 2,221,177
Receivables, net	955,831	31,526	987,357
Inventory		8,647	8,647
Restricted assets:			
Restricted cash and cash equivalents	1,208,545		1,208,545
Capital assets, net (Note 5)	38,784,490	174,790	38,959,280
Total assets	<u>42,802,835</u>	<u>582,171</u>	<u>43,385,006</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	895,497		895,497
LIABILITIES:			
Accounts payable	15,376		15,376
Payable to state government	61,744		61,744
Unearned revenue	75,888	13,922	89,810
Accrued interest due within one year	526,602		526,602
Noncurrent liabilities:			
Due within one year	1,584,567		1,584,567
Due beyond one year	27,389,691		27,389,691
Net pension liability	7,910,721		7,910,721
Total liabilities	<u>37,564,589</u>	<u>13,922</u>	<u>37,578,511</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	471,436		471,436
NET POSITION:			
Net investment in capital assets	10,712,615	174,790	10,887,405
Restricted for:			
Debt Service Fund	1		1
Capital Projects	1,331,293		1,331,293
Other purposes	2,337,998		2,337,998
Unrestricted	(8,719,600)	393,459	(8,326,141)
Total Net Position	<u>\$ 5,662,307</u>	<u>\$ 568,249</u>	<u>\$ 6,230,556</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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 13,678,892	\$ -	\$ 460,860	\$ (13,218,032)	\$ -	\$ (13,218,032)
Special education	3,992,508		316,147	(3,676,361)		(3,676,361)
Other instruction	1,181,252			(1,181,252)		(1,181,252)
Support Services:						
Tuition	2,300,538			(2,300,538)		(2,300,538)
Student & instruction related services	5,389,417		541,646	(4,847,771)		(4,847,771)
General administrative services	770,693			(770,693)		(770,693)
School administrative services	1,536,975			(1,536,975)		(1,536,975)
Central services	690,962			(690,962)		(690,962)
Plant operations and maintenance	3,450,635			(3,450,635)		(3,450,635)
Pupil transportation	2,224,397			(2,224,397)		(2,224,397)
Employee benefits	11,000,704		3,681,730	(7,318,974)		(7,318,974)
Interest on long-term debt	1,156,126		459,190	(696,936)		(696,936)
Unallocated depreciation and amortization	46,777			(46,777)		(46,777)
Total governmental activities	<u>47,419,876</u>		<u>5,459,573</u>	<u>(41,960,303)</u>		<u>(41,960,303)</u>
Business-type activities:						
Food Service	1,350,480	718,271	508,483		(123,726)	(123,726)
Total business-type activities	<u>1,350,480</u>	<u>718,271</u>	<u>508,483</u>		<u>(123,726)</u>	<u>(123,726)</u>
Total primary government	<u>\$ 48,770,356</u>	<u>\$ 718,271</u>	<u>\$ 5,968,056</u>	<u>\$ (41,960,303)</u>	<u>\$ (123,726)</u>	<u>\$ (42,084,029)</u>
General revenues:						
Taxes:						
				28,374,222		28,374,222
				2,051,483		2,051,483
				12,121,250		12,121,250
				85,960		85,960
				98,568		98,568
				<u>42,731,483</u>		<u>42,731,483</u>
				<u>771,180</u>	<u>(123,726)</u>	<u>647,454</u>
				<u>4,891,127</u>	<u>691,975</u>	<u>5,583,102</u>
				<u>\$ 5,662,307</u>	<u>\$ 568,249</u>	<u>\$ 6,230,556</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, 2015

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 1,764,734	\$ -	\$ 73,405	\$ 15,830	\$ 1,853,969
Receivables, net	556,993	274,508			831,501
Interfund receivables, net	285,544				285,544
Restricted cash and cash equivalents	<u>1,208,545</u>				<u>1,208,545</u>
Total assets	<u>\$ 3,815,816</u>	<u>\$ 274,508</u>	<u>\$ 73,405</u>	<u>\$ 15,830</u>	<u>\$ 4,179,559</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	14,435	941			15,376
Intergovernmental payable:					
State		61,744			61,744
Interfund payables		145,385		15,829	161,214
Unearned revenues	<u>9,450</u>	<u>66,438</u>			<u>75,888</u>
Total liabilities	<u>23,885</u>	<u>274,508</u>		<u>15,829</u>	<u>314,222</u>
Fund Balances:					
Restricted for:					
Excess surplus	540,921				540,921
Excess surplus - designated for subsequent year's expenditures	934,685				934,685
Maintenance reserve	156,325				156,325
Capital reserve	<u>1,257,888</u>				<u>1,257,888</u>
Assigned to:					
Year-end encumbrances	4,487				4,487
Subsequent year's expenditures	701,580				701,580
Unassigned	<u>196,045</u>		<u>73,405</u>	<u>1</u>	<u>269,451</u>
Total fund balances	<u>3,791,931</u>		<u>73,405</u>	<u>1</u>	<u>3,865,337</u>
Total liabilities and fund balances	<u>\$ 3,815,816</u>	<u>\$ 274,508</u>	<u>\$ 73,405</u>	<u>\$ 15,830</u>	

Unreserved

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,394,692 and the accumulated depreciation is \$22,610,202. 38,784,490

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (526,602)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	895,497	
Net Pension Liability	(7,910,721)	
Deferred Inflows of resources from Pensions	<u>(471,436)</u>	(7,486,660)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General Obligation Bonds	(27,613,000)	
Capital Lease Payable	(458,875)	
Compensated Absences Payable	<u>(902,383)</u>	(28,974,258)

Net position of governmental activities \$ 5,662,307

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 28,374,222	\$ -	\$ -	\$ 2,051,483	\$ 30,425,705
Tuition charges	85,960				85,960
Transportation charges	22,808				22,808
Capital reserve interest	5,669				5,669
Miscellaneous	70,091				70,091
Total revenues-local sources	28,558,750			2,051,483	30,610,233
State sources	15,707,547	299,247		459,190	16,465,984
Federal sources	84,357	1,030,482			1,114,839
Total revenues	44,350,654	1,329,729		2,510,673	48,191,056
EXPENDITURES:					
Current expense:					
Regular instruction	12,565,458	460,860			13,026,318
Special education instruction	3,676,361	316,147			3,992,508
Other instruction	1,181,252				1,181,252
Support services and undistributed costs:					
Tuition	2,300,538				2,300,538
Student & instruction related services	4,847,771	541,646			5,389,417
General administrative services	677,138				677,138
School administrative services	1,536,975				1,536,975
Central services	501,880				501,880
Admin. Info. Tech	189,082				189,082
Plant operations and maintenance	3,989,204				3,989,204
Pupil transportation	2,224,397				2,224,397
Unallocated employee benefits	10,920,445	11,076			10,931,521
Capital outlay	254,535		15,165		269,700
Debt service:					
Principal				1,330,000	1,330,000
Interest and other charges				1,181,170	1,181,170
Total expenditures	44,865,036	1,329,729	15,165	2,511,170	48,721,100
Excess (deficiency) of revenues over (under) expenditures	(514,382)		(15,165)	(497)	(530,044)
Other Financing Sources (Uses):					
Proceeds of capital lease	212,512				212,512
Transfers in					
Transfers out					
Total other financing sources (uses)	212,512				212,512
Net change in fund balance	(301,870)		(15,165)	(497)	(317,532)
Fund balances, July 1	4,093,801		88,570	498	4,182,869
Fund balances, June 30	\$ 3,791,931	\$ -	\$ 73,405	\$ 1	\$ 3,865,337

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, 2015

Total net change in fund balances - governmental funds (from B-2) \$ (317,532)

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	\$ (935,548)	
Disposal of assets	(2,737)	
Capital outlay	<u>779,421</u>	(158,864)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 1,330,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 171,917

The proceeds of a capital lease are an other financing source of revenue in the governmental funds funds but are not report in the statement of activities. (212,512)

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. (69,183)

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. 25,044

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 (+). 2,310

Change in net position of governmental activities \$ 771,180

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities Enterprise Funds <u>Food Service Program</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 367,208
Accounts receivable	31,526
Inventories	<u>8,647</u>
Total current assets	<u>407,381</u>
Noncurrent assets:	
Equipment	608,717
Less accumulated depreciation	<u>(433,927)</u>
Total noncurrent assets	<u>174,790</u>
Total assets	<u><u>\$ 582,171</u></u>
 LIABILITIES	
Current liabilities:	
Unearned revenue	<u>13,922</u>
Total liabilities	<u>13,922</u>
 NET POSITION	
Net investment in capital assets	174,790
Unrestricted	<u>393,459</u>
Total net position	<u><u>\$ 568,249</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2015

	Business-type Activities Enterprise Funds
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 372,140
Daily sales-non-reimbursable programs	346,131
	718,271
Operating expenses:	
Salaries	406,011
Benefits	82,691
Supplies and materials	64,814
Depreciation	43,161
Management fee	72,282
Software/Equipment	80,119
Repairs and maintenance of equipment	19,571
Cost of sales	469,071
Direct expenses	29,928
Other expenses	82,832
	1,350,480
Total operating expenses	1,350,480
Operating income (loss)	(632,209)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	11,418
Federal sources:	
National school lunch program	331,683
National school breakfast program	88,676
U.S.D.A. commodities	76,706
Local sources:	
Interest revenue	-
	508,483
Total nonoperating revenues (expenses)	508,483
Change in net position	(123,726)
Net position- July 1	691,975
Net position - June 30	\$ 568,249

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, 2015

		Business-type Activities Enterprise Funds
		<u>Food Service Program</u>
Cash flows from operating activities:		
Receipts from customers	\$	718,847
Payments to employees		(488,702)
Payments to suppliers		(741,633)
Net cash used for operating activities		<u>(511,488)</u>
Cash flows from noncapital financing activities:		
State sources		11,363
Federal sources		416,577
Net cash provided by non-capital financing activities		<u>427,940</u>
Cash flows from capital activities:		
Purchases of fixed assets		(3,648)
Net cash used for capital activities		<u>(3,648)</u>
Cash flows from investing activities:		
Interest and dividends		-
Net cash provided by investing activities		<u>-</u>
Net increase in cash and cash equivalents		(87,196)
Balances - July 1		<u>454,404</u>
Balances - June 30	\$	<u><u>367,208</u></u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating income (loss)	\$	(632,209)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		43,161
Federal commodities		76,706
(Increase) decrease in accounts receivable		(583)
(Increase) decrease in inventories		279
Increase (decrease) in accounts payable		-
Increase (decrease) in unearned revenue		1,158
Total adjustments		<u>120,721</u>
Net cash provided by (used for) operating activities	\$	<u><u>(511,488)</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Unemployment Compensation Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 190,604	\$ 510,952
Interfund		
	<u> </u>	<u> </u>
Total assets	<u>\$ 190,604</u>	<u>\$ 510,952</u>
LIABILITIES:		
Accounts payable	\$ 22,382	\$ -
Interfund payable		124,330
Payroll deductions and withholdings		59,254
Due to student groups		327,368
	<u> </u>	<u> </u>
Total liabilities	<u>22,382</u>	<u>\$ 510,952</u>
NET POSITION:		
Held in trust for unemployment claims and other purposes	<u>\$ 168,222</u>	

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee contributions	\$ 47,002
Board contribution	
Total Contributions	<u>47,002</u>
Investment earnings:	
Interest	
Net investment earnings	
Total additions	<u>47,002</u>
DEDUCTIONS:	
Unemployment claims	<u>45,780</u>
Total deductions	<u>45,780</u>
Change in Net Position	1,222
Net Position - July 1	<u>167,000</u>
Net Position - June 30	<u>\$ 168,222</u>

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, 2015

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, 2015 of 2,979 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

The School District's enterprise fund is:

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

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

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

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

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net 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, 2015

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 unearned revenue, and in the presentation of expenses versus expenditures.

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

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

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

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

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

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

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

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, 2015 and 2014 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015.

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

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

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

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

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

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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2015.

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

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

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

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

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

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.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Recently Issued Accounting Pronouncements – In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government’s financial position. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District’s financial reporting.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District’s financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District’s financial statements.

In June, 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District’s financial statements.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In June 2016, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

2. CASH AND CASH EQUIVALENTS

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

Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$5,504,362 as of June 30, 2015, \$250,000 was insured under FDIC and the remaining balance of \$5,254,362 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

3. CAPITAL RESERVE ACCOUNT (Continued)

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

Balance – July 1, 2014	\$		1,052,219
Increased by:			
Transfer by Board Resolution	\$	200,000	
Unspent Funds Returned			
Interest Earned		5,669	205,669
		1,257,888	1,257,888
Decreased by:			
Budgeted Withdrawal		-	-
Balance – June 30, 2015	\$	1,257,888	1,257,888

The June 30, 2015 capital reserve balance does not exceed the LRFPP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2015 for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
State Aid	\$ 547,546	\$ -	\$ 684	\$ 548,230
Federal Aid		274,508	27,537	302,045
Other	9,447		3,305	12,752
Total Accounts Receivable	\$ 556,993	\$ 274,508	\$ 31,526	\$ 863,027

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Disposals/ Adjustment</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Construction in Progress	\$ 25,198,232	\$ -	\$ -	\$ 25,198,232
Total capital assets, not being Depreciated	<u>25,198,232</u>			<u>25,198,232</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	960,359	15,892		976,251
Building and Building Improvements	31,525,051	704,787		32,229,838
Machinery and Equipment	2,988,444	58,742	56,815	2,990,371
Totals at historical cost	<u>35,473,854</u>	<u>779,421</u>	<u>56,815</u>	<u>36,196,460</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(586,169)	(31,213)		(617,382)
Building and Building Improvements	(18,988,659)	(630,409)		(19,619,068)
Equipment	(2,153,904)	(273,926)	(54,078)	(2,373,752)
Totals accumulated depreciation	<u>(21,728,732)</u>	<u>(935,548)</u>	<u>(54,078)</u>	<u>(22,610,202)</u>
Total Capital Assets, being depreciated, net	<u>13,745,122</u>	<u>(156,127)</u>	<u>2,737</u>	<u>13,586,258</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,943,354</u>	<u>\$ (156,127)</u>	<u>\$ 2,737</u>	<u>\$ 38,784,490</u>
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 645,969	\$ 3,648	\$ 40,900	\$ 608,717
Less accumulated depreciation	<u>(431,666)</u>	<u>(31,008)</u>	<u>(28,747)</u>	<u>(433,927)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 214,303</u>	<u>\$ (27,360)</u>	<u>\$ 12,153</u>	<u>\$ 174,790</u>

Depreciation expense in the amount of \$935,548 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 654,884
Administration	93,555
Plant Operations and Maintenance	140,332
Unallocated	<u>46,777</u>
Total	<u>\$ 935,548</u>

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2015 consisted of the following:

	<u>Food Service</u>
Food	\$ 7,156
Supplies	<u>1,491</u>
	<u>\$ 8,647</u>

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2015</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ 904,693	\$ -	\$ 2,310	\$ 902,383	-
Capital Lease Payable	418,280	212,512	171,917	458,875	199,567
General Obligation Bonds	<u>28,943,000</u>	<u> </u>	<u>1,330,000</u>	<u>27,613,000</u>	<u>1,385,000</u>
	<u>\$ 30,265,973</u>	<u>\$ 212,512</u>	<u>\$ 1,504,227</u>	<u>\$ 28,974,258</u>	<u>\$ 1,584,567</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 710,000 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 \$2,340,000 due in annual installments through January 15, 2023 bearing interest rates ranging from 4.00% - 4.05%.

2009 School Bonds dated July 15, 2009 in the amount of \$24,563,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 4.00% - 4.50%.

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>
2016	\$ 1,385,000	\$ 1,125,463	\$ 2,510,463
2017	1,425,000	1,068,575	2,493,575
2018	1,485,000	1,010,575	2,495,575
2019	1,545,000	950,175	2,495,175
2020	1,605,000	887,475	2,492,475
2021-2025	9,075,000	3,371,645	12,446,645
2026-2030	<u>11,093,000</u>	<u>1,251,857</u>	<u>12,344,857</u>
	<u>\$ 27,613,000</u>	<u>\$ 9,665,765</u>	<u>\$ 37,278,765</u>

As of June 30, 2015 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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

7. LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2015, the District had the following capital leases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Phone Lease	June 15, 2017	2.05%	\$ 287,800
Brocade Network Switches	July 20, 2017	2.17%	177,651
Dell Computers	August 1, 2015	5.09%	162,331

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, 2015:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 199,567	\$ 11,169	\$ 210,736
2017	148,357	5,117	153,474
2018	60,701	2,221	62,922
2019	24,886	965	25,851
2020	<u>25,364</u>	<u>487</u>	<u>25,851</u>
	\$ <u>458,875</u>	\$ <u>19,959</u>	\$ <u>478,834</u>

8. OPERATING LEASES

At June 30, 2015, 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, 2015 and 2014, were \$117,966, and \$129,815 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2016	\$ 101,376
June 30, 2017	101,376
June 30, 2018	101,376
June 30, 2019	101,376
June 30, 2020	<u>59,136</u>
Total future minimum lease payments	\$ <u>464,640</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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

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 Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member 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 exist.

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.

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

For the year ended June 30, 2015, the District recognized pension expense of \$4,713,351 and revenue of \$4,713,351 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/14	06/30/13
Collective deferred outflows of resources	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	1,763,205,593	-
Collective net pension liability (Non-Employer – State of New Jersey)	53,446,745,367	50,539,213,484
State's portion of the net pension liability that was associated with the district	87,593,477	84,537,447
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.1638892624%	.1672709993%

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

9. PENSION PLANS (Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

Inflation: 2.5%
 Salary Increases: Varies based on experience
 Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	0.50%
Core Fixed Income	00.00%	2.19%
Core Bonds	01.00%	1.38%
Short-Term Bonds	00.00%	1.00%
Intermediate Term Bonds	11.20%	2.60%
Long-Term Bonds	00.00%	3.23%
Mortgages	02.50%	2.84%
High Yield Bonds	05.50%	4.15%
Non US Fixed Income	00.00%	1.41%
Inflation Indexed Bonds	02.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	00.00%	5.62%
Mid Cap US Equities	00.00%	6.39%
Small Cap US Equities	00.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	06.50%	8.90%
Private Equity	08.25%	9.15%
Hedge Funds/Absolute Ret	12.25%	3.85%
Real Estate (Property)	03.20%	4.43%
Real Estate (REITS)	00.00%	5.58%
Commodities	02.50%	3.60%
Long Credit Bonds	00.00%	3.74%

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

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

Public Employees' Retirement System (PERS)

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 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. 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 exist.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contrib Group Life Insurance</u>	<u>Adjustment</u>	<u>Total Liability</u>	<u>Paid by District</u>
2015	\$ 57,987	\$ 268,237	\$ 22,095	\$ -	\$ 348,319	\$ 348,319
2014	90,024	243,872	5,091	(34,555)	304,432	304,432
2013	87,419	209,020	17,643		314,082	314,082

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended June 30, 2015, the District recognized pension expense of \$462,474. At June 30, 2015, the District reported a liability of \$7,910,721 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$
Changes of assumptions	248,756	
Net difference between projected and actual earnings on pension plan investments		471,436
Changes in proportion and differences between District contributions and proportionate share of contributions	298,422	
District contributions subsequent to the measurement Date	348,319	
Total	\$ 895,497	\$ 471,436

\$348,319 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflow of Resources:
2016	\$ 11,761
2017	11,761
2018	11,761
2019	11,761
2020	11,761
2021	11,761
2022	5,176
Total	\$ 75,742

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

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

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 952,194,675	\$ (1)
Collective deferred inflows of resources	\$ 1,479,224,662	\$ (1)
Collective net pension liability	\$ 18,722,735,003	\$ 19,111,986,911
District's Proportion	.0422519522%	.0404034841%

(1) – Information not available.

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

- Inflation rate: 3.01%
- Salary Increases:
 - 2012-2021: 2.15-4.40% based on age
 - Thereafter: 3.15-5.40% based on age
- Investment Rate of Return: 7.90%

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	06.00%	00.80%
Core Bonds	01.00%	02.49%
Intermediate Term Bonds	11.20%	02.26%
Mortgages	02.50%	02.17%
High Yield Bonds	05.50%	04.82%
Inflation Indexed Bonds	02.50%	03.51%
Broad US Equities	25.90%	08.22%
Developed Foreign Equities	12.70%	08.12%
Emerging Market Equities	06.50%	09.91%
Private Equity	08.25%	13.02%
Hedge Funds/Absolute Ret	12.25%	04.92%
Real Estate (Property)	03.20%	05.80%
Commodities	02.50%	05.35%

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5/39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.39%) or 1 percentage point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 9,951,956	\$ 7,910,721	\$ 6,196,603

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

Defined Contribution Retirement Program (DCRP)

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

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

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

<u>Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2015	\$ 1,499	\$ 1,499
2014	631	631
2013	1,233	1,233

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf.

The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

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, 2015 was \$1,437,376 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.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures \$905,434 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,327,844 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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

12. RISK MANAGEMENT (Continued)

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>
2014-2015	\$ 47,002	\$ -	\$ -	\$ 45,780	\$ 168,222
2013-2014	35,408			51,821	167,000
2012-2013	33,539		232	80,443	183,413
2011-2012	33,558		1,400	71,099	230,085
2010-2011	31,626		3,413	96,067	266,226

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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, 2015, the liability for compensated absences in the governmental activities was \$902,383.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

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, 2016. The following interfund balances were recorded on the various balance sheets as of June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 285,544	
Special Revenue		145,385
Debt Service		15,829
Fiduciary		124,330
	\$ 285,544	\$ 285,544

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, 2015, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2015, a deficit of \$8,719,600 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2015	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 196,045
Liabilities:	
Accrued Interest Payable	(526,602)
Net Pension Difference	(7,486,660)
Compensated Absences	(902,383)
Unrestricted Net Position (Deficit)	\$ (8,719,600)

18. FUND BALANCES

RESTRICTED

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

18. FUND BALANCES (Continued)

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, 2015 is \$540,921 presented on the budgetary basis of accounting (Exhibit C-1). In addition, \$934,685 of excess fund balance generated during the 2013-2014 fiscal year has been restricted and designated for utilization in the 2015-2016 budget.

Capital Reserve – As of June 30, 2015, the balance in the capital reserve account is \$1,257,888, all of which 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, 2015, the balance in the maintenance reserve account is \$156,325. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2015 the School District has \$4,487 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, 2016, \$701,580 of general fund balance.

UNASSIGNED

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

General Fund – As of June 30, 2015, \$196,045 of general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2015, \$73,405 of capital projects fund balance was unassigned.

Debt Service Fund – As of June 30, 2015, \$1 of debt service fund balance was unassigned.

19. LITIGATION

The School District is a defendant in one legal proceeding. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

20. RESTATEMENT OF BEGINNING BALANCES

Net position on the government-wide Statement of Activities as of July 1, 2014, has been restated for implementation of GASB-68.

The government-wide and fund financial statements were restated as follows:

	Government -wide Statements
	Governmental Activities
Net Position as of June 30, 2014, as previously reported	\$ 12,308,604
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability	(7,721,909)
Deferred Outflows - District's Contribution made during fiscal year 2014	304,432
Net Position as Restated, July 1, 2014	\$ 4,891,127

Required Supplementary Information - Part II

Budgetary Comparison Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 28,374,222	\$ -	\$ 28,374,222	\$ 28,374,222	\$ -
Tuition - Individuals	36,000		36,000	50,279	14,279
Tuition - Other LEA's				35,681	35,681
Transportation				22,808	22,808
Capital reserve interest	500		500	5,669	5,169
Unrestricted miscellaneous revenue	30,000		30,000	70,091	40,091
Total local sources	28,440,722		28,440,722	28,558,750	118,028
State sources:					
Categorical special education aid	1,707,479		1,707,479	1,707,479	
Equalization aid	9,568,442		9,568,442	9,568,442	
Security aid	74,011		74,011	74,011	
Transportation aid	112,213		112,213	112,213	
Under adequacy aid	14,105		14,105	14,105	
PARCC readiness aid	29,660		29,660	29,660	
Per pupil growth aid	29,660		29,660	29,660	
Homeless Tuition Aid				39,599	39,599
Extraordinary aid				446,621	446,621
Extraordinary aid - additional prior year				4,389	4,389
Additional non-public transportation aid				13,953	13,953
On-behalf TPAF pension contributions (non-budgeted)				905,434	905,434
On-behalf TPAF medical (non-budgeted)				1,437,376	1,437,376
Reimbursed TPAF social security contributions (non-budgeted)				1,327,844	1,327,844
Total state sources	11,535,570		11,535,570	15,710,786	4,175,216
Federal sources:					
Medicaid reimbursement	30,378		30,378	62,038	31,660
Medicaid reimbursement - ARRA/SEMI		22,319	22,319	22,319	
Total federal sources	30,378	22,319	52,697	84,357	31,660
TOTAL REVENUES	40,006,670	22,319	40,028,989	44,353,893	4,324,904
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	692,775	(3,495)	689,280	689,280	
Grades 1-5	3,616,084	(15,815)	3,600,269	3,599,598	671
Grades 6-8	2,753,220	(67,624)	2,685,596	2,684,526	1,070
Grades 9-12	4,638,705	(141,308)	4,497,397	4,496,230	1,167
Total Instruction	11,700,784	(228,242)	11,472,542	11,469,634	2,908
Regular Programs - Home Instruction:					
Salaries of teachers	71,627	13,990	85,617	85,617	
Purchased professional - educ services	16,246	349	16,595	11,614	4,981
Total Home Instruction	87,873	14,339	102,212	97,231	4,981

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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	\$ 154,746	\$ 3,044	\$ 157,790	\$ 142,847	\$ 14,943
Purchased technical services	160,326	(37,080)	123,246	92,041	31,205
Other purchased services	204,403	25,056	229,459	195,410	34,049
General supplies	547,501	(172)	547,329	475,722	71,607
Textbooks	224,491	(147,162)	77,329	70,909	6,420
Other objects	26,640	(3,580)	23,060	21,664	1,396
Total Undistributed Instruction	<u>1,318,107</u>	<u>(159,894)</u>	<u>1,158,213</u>	<u>998,593</u>	<u>159,620</u>
Total - Regular Programs - Instruction	<u>13,106,764</u>	<u>(373,797)</u>	<u>12,732,967</u>	<u>12,565,458</u>	<u>167,509</u>
Special Educ Instruction: Learning/Lang. Disabilities					
Salaries of teachers	564,042	(210,141)	353,901	353,901	
Other salaries for instruction	147,364	(67,679)	79,685	79,685	
General supplies	7,000	(5,662)	1,338	1,338	
Textbooks	1,500	(894)	606	606	
Total Learning/Language Disabilities	<u>719,906</u>	<u>(284,376)</u>	<u>435,530</u>	<u>435,530</u>	
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	169,752	15,313	185,065	185,065	
Other salaries for instruction	166,267	(7,090)	159,177	159,147	30
General supplies	900		900	891	9
Textbooks	500	(231)	269	269	
Total Multiple Disabilities	<u>337,419</u>	<u>7,992</u>	<u>345,411</u>	<u>345,372</u>	<u>39</u>
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	2,059,842	482,083	2,541,925	2,541,925	
Other salaries for instruction	70,803	(20,785)	50,018	50,018	
General supplies	20,000	(6,153)	13,847	13,847	
Textbooks	2,000	1,490	3,490	3,490	
Total Resource Room/Resource Center	<u>2,152,645</u>	<u>456,635</u>	<u>2,609,280</u>	<u>2,609,280</u>	
Preschool Disabilities - Part-time					
Salaries of teachers	184,776	158	184,934	184,934	
Other salaries for instruction	51,665	(9,192)	42,473	42,473	
General supplies	2,500	(1,378)	1,122	1,122	
Total Preschool Disabilities - Part-time	<u>238,941</u>	<u>(10,412)</u>	<u>228,529</u>	<u>228,529</u>	
Autism					
Salaries of teachers	57,650		57,650	57,650	
Total Autism	<u>57,650</u>		<u>57,650</u>	<u>57,650</u>	
Total Special Education - Instruction	<u>3,506,561</u>	<u>169,839</u>	<u>3,676,400</u>	<u>3,676,361</u>	<u>39</u>

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of teachers	\$ -	\$ 51,356	\$ 51,356	\$ 51,356	\$ -
Total Bilingual Education - Instruction		51,356	51,356	51,356	
Bilingual Education - Instruction					
Salaries	240,897	(930)	239,967	239,892	75
Purchased professional - educational services	9,000		9,000	6,096	2,904
Total Bilingual Education - Instruction	249,897	(930)	248,967	245,988	2,979
School-Sponsored Cocurricular Act - Inst.					
Salaries	204,120	29,197	233,317	233,317	
Other purchased services	2,250	800	3,050	2,850	200
Supplies and materials	25,250	16,900	42,150	40,128	2,022
Other objects	2,500		2,500	886	1,614
Total School-Sponsored Cocurr. Act. - Inst	234,120	46,897	281,017	277,181	3,836
School-Sponsored Athletics - Inst.					
Salaries	415,313	(6,618)	408,695	397,894	10,801
Other purchased services	83,044	(715)	82,329	66,135	16,194
Supplies and materials	65,970	(11,904)	54,066	52,642	1,424
Other objects	2,337		2,337	2,035	302
Total School-Sponsored Athletics - Inst	566,664	(19,237)	547,427	518,706	28,721
Other Supplemental/At Risk Programs - Inst.					
Salaries of Reading Specialists	162,459	(71,551)	90,908	88,021	2,887
Total Supplemental/At Risk Programs - Inst	162,459	(71,551)	90,908	88,021	2,887
Undistributed Expenditures - Instruction					
Tuition to other lea's w/i state - regular	72,520	(42,136)	30,384	30,384	
Tuition to other lea's w/i state - special	334,868	(81,227)	253,641	253,141	500
Tuition to county voc. school dist. - reg.	91,800	4,951	96,751	96,751	
Tuition to county voc. school dist. - spl.	25,000	3,089	28,089	28,089	
Tuition to CSSD & reg. day schools	353,984	262,573	616,557	616,557	
Tuition to priv. sch. for the disabled w/i state	1,193,928	47,539	1,241,467	1,236,809	4,658
Tuition to priv. sch. for the disabled o/s state	75,376	(75,376)			
Tuition - state facilities		4,500	4,500	4,500	
Tuition - other	70,305	(35,998)	34,307	34,307	
Total Undistributed Expenditures - Instruction	2,217,781	87,915	2,305,696	2,300,538	5,158
Undistributed Expenditures - Attend. and Social Work					
Salaries	49,144	977	50,121	50,121	
Total Undistributed Expenditures - Attendance	49,144	977	50,121	50,121	
Undistributed Expenditures - Health Services					
Salaries	294,447	1,116	295,563	295,563	
Purchased professional and technical services	7,800	2,750	10,550	10,318	232
Other Objects	300		300	222	78
Supplies and materials	5,875	(1,000)	4,875	4,193	682
Total Undistributed Expenditures - Health Svcs.	308,422	2,866	311,288	310,296	992
Undist. Expend. - Speech, OT, PT, & Rel. Serv.					
Salaries	452,760	(794)	451,966	451,966	
Purchased professional and educ. services	20,000	800	20,800	20,800	
Supplies and materials	4,000	(1,000)	3,000	3,000	
Total Undst .Expend. - Speech, OT, PT, & Rel. Serv -	476,760	(994)	475,766	475,766	

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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Sp. Ed. - Extraordinary Services - Salaries	\$ 422,355	\$ 72,691	\$ 495,046	\$ 495,046	\$ -
Total Undst. Expend. - Special Ed.- Extra. Serv.	<u>422,355</u>	<u>72,691</u>	<u>495,046</u>	<u>495,046</u>	
Undist. Expend. - Guidance					
Salaries of other professional staff	701,085	(81,408)	619,677	619,677	
Salaries of secretarial and clerical assistants	189,119	(13,680)	155,439	155,439	
Other purchased services (400-500)	500		500	69	431
Supplies and materials	7,900		7,900	6,584	1,316
Total Undst. Expend. - Guidance	<u>878,604</u>	<u>(95,088)</u>	<u>783,516</u>	<u>781,769</u>	<u>1,747</u>
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	693,704	(14,821)	678,883	678,883	
Salaries of secretarial and clerical assistants	91,547	(10,690)	80,857	80,857	
Purchased professional and educ. services	460,000	604,966	1,064,966	935,748	129,218
Other purchased services (400-500)	17,016		17,016	15,809	1,207
Supplies and materials	18,000	(2,788)	15,212	12,562	2,650
Other objects	3,300	2,000	5,300	3,765	1,535
Total Undst. Expend. - Child Study Teams	<u>1,283,567</u>	<u>578,667</u>	<u>1,862,234</u>	<u>1,727,624</u>	<u>134,610</u>
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	148,236	(431)	147,805	147,805	
Salaries of other professional staff	24,888	(1,191)	23,697	23,697	
Salaries of secretarial and clerical assistants	49,390		49,390	49,390	
Salaries of Facilitators, Math & Literacy Coaches	78,964	3,948	82,912	82,912	
Supplies and materials	3,000		3,000	2,047	953
Other objects	700	336	1,036	1,007	29
Total Undst. Expend. - Improvement of Instr. Services	<u>305,178</u>	<u>2,662</u>	<u>307,840</u>	<u>306,858</u>	<u>982</u>
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	432,161	2,986	435,147	435,147	
Salaries of Technology Coordinators	187,681		187,681	187,681	
Purchased professional and technical services	5,700	(137)	5,563	3,568	1,995
Supplies and materials	43,685	(700)	42,985	41,811	1,174
Total Undst. Expend. - Educ. Media Serv./Sch. Library	<u>669,227</u>	<u>2,149</u>	<u>671,376</u>	<u>668,207</u>	<u>3,169</u>
Instructional Staff Training Services					
Salaries Other Prof. Staff		436	436	436	
Salaries of secretarial and clerical assistance	18,955	(3,045)	15,910	15,910	
Purchased professional and educ. services	1,000		1,000		1,000
Other purchased services (400-500)	24,750	(4,564)	20,186	15,222	4,964
Supplies and materials	1,000		1,000	516	484
Total Instructional Staff Training Services	<u>45,705</u>	<u>(7,173)</u>	<u>38,532</u>	<u>32,084</u>	<u>6,448</u>
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	302,532	108,800	411,332	411,332	
Legal services	90,000	(11,222)	78,778	62,305	16,473
Audit Fees	37,000		37,000	30,600	6,400
Architectural/Engineering Services	80,000	(68,373)	11,627	11,627	
Other purchased professional services	15,000		15,000	10,100	4,900
Purchased technical services	10,000		10,000	6,459	3,541
Communications/Telephone	140,000	(49,722)	90,278	84,081	6,197
BOE Other purchased services (400-500)	5,250		5,250	1,764	3,486
Other purchased services (400-500)	16,910		16,910	11,257	5,653
General supplies	23,345		23,345	15,918	7,427
BOE In-House Training/Meeting Supplies	3,150		3,150	595	2,555
Miscellaneous expenditures	12,000	1,625	13,625	11,877	1,748
BOE membership dues and fees	20,500		20,500	19,223	1,277
Total Undst. Expend. - Supp. Serv. General Admin.	<u>755,687</u>	<u>(18,892)</u>	<u>736,795</u>	<u>677,138</u>	<u>59,657</u>

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

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DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	\$ 961,035	\$ 14,044	\$ 975,079	\$ 975,079	\$ -
Salaries of secretarial and clerical assistants	382,868	29,049	411,917	411,917	
Purchased professional and technical services	57,935	3,677	61,612	61,335	277
Other purchased services	2,600		2,600	700	1,900
Supplies and Materials	58,244	20,195	78,439	75,330	3,109
Other objects	17,325		17,325	12,614	4,711
Total Undst. Expend. - Supp. Serv. School Admin.	1,480,007	66,965	1,546,972	1,536,975	9,997
Undist. Expend. - Central Services					
Salaries	452,864	(629)	452,235	452,235	
Purchased professional services	30,500		30,500	10,160	20,340
Purchased technical services	19,000	11,532	30,532	30,315	217
Misc. purchased services	2,625		2,625	811	1,814
Supplies and materials	14,700	(1,000)	13,700	7,314	6,386
Miscellaneous expenditures	7,500		7,500	1,045	6,455
Total Undst. Expend. - Central Services	527,189	9,903	537,092	501,880	35,212
Undist. Expend. - Admin. Info. Tech.					
Purchased technical services	133,500		133,500	125,788	7,712
Other purchased services	74,919		74,919	62,982	11,937
Supplies and Materials		312	312	312	
Total Undst. Expend. - Admin. Info. Tech.	208,419	312	208,731	189,082	19,649
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	607,155	(23,636)	583,519	583,519	
Cleaning, repair, and maintenance services	468,240	(17,000)	451,240	430,336	20,904
General supplies	20,000		20,000	3,218	16,782
Total Undst. Expend. - Required Maint. Sch. Facilities	1,095,395	(40,636)	1,054,759	1,017,073	37,686
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	50,261	550	50,811	50,811	
Salaries of non-instructional aids	100,587	1,048	101,635	101,635	
Purchased professional - tech services	33,800		33,800	19,485	14,315
Cleaning, repair, and maintenance services	1,208,443	50,152	1,258,595	1,253,445	5,150
Other purchased property services	57,000	2,172	59,172	55,241	3,931
Insurance	178,290	5,967	184,257	184,168	89
Miscellaneous purchased services	1,000	500	1,500	565	935
General supplies	328,187	(76,552)	251,635	216,549	35,086
Energy (electricity)	800,000	(510,000)	290,000	231,649	58,351
Energy (natural gas)	412,000	183,585	595,585	595,585	
Other objects	1,500		1,500	1,087	413
Total Undst. Expend. - Other Oper. & Maint. of Plant	3,171,068	(342,578)	2,828,490	2,710,220	118,270
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	50,861		50,861	50,861	
Purchased professional and technical services	195,000	17,375	212,375	207,215	5,160
Total Undst. Expend. - Care and Upkeep of Grounds	245,861	17,375	263,236	258,076	5,160
Security					
Purchased professional and technical services	4,200	(89)	4,111	3,835	276
Total Undst. Expend. - Oper. & Maint. of Plant Services	4,516,524	(365,928)	4,150,596	3,989,204	161,392

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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$ 23,189	\$ 2,084	\$ 25,273	\$ 25,273	\$ -
Salaries for pupil trans (bet home & sch) - sp. ed.	18,019	(1,386)	16,633	16,633	
Salaries for pupil trans (other than bet home & sch)	2,301	(177)	2,124	2,124	
Salaries student transportation - nonpublic	6,773	(521)	6,252	6,252	
Contr. serv. (bet. home & sch.) - vendors	1,333,000	(173,751)	1,159,249	1,076,849	82,400
Contr. serv. (other than bet. home & sch.) - vendors	164,220	(25,902)	138,318	138,318	
Contr. serv. (sp ed stds) - vendors	900,000	(67,789)	832,211	832,211	
Contr. serv. (sp ed stds) - joint agreements	57,630	7,150	64,780	64,774	6
Contr. Serv. - aid in lieu pymts - nonpub sch	75,000	884	75,884	58,138	17,746
Misc. purchased services - transportation	13,956		13,956	3,825	10,131
Total Undst. Expend. - Student Trans. Services	<u>2,594,088</u>	<u>(259,408)</u>	<u>2,334,680</u>	<u>2,224,397</u>	<u>110,283</u>
Unallocated Benefits - Employee Benefits					
Group Insurance					
Social security contributions	381,842	18,000	399,842	399,564	278
Other retirement contributions - PERS	386,454	(38,135)	348,319	348,319	
Workmen's Compensation	224,910	(41,794)	183,116	183,116	
Health benefits	5,980,053	127,140	6,107,193	6,106,022	1,171
Tuition reimbursements	46,339	(11,749)	34,590	26,221	8,369
Other Employee Benefits	107,306	88,656	195,962	186,549	9,413
Total Unallocated Benefits - Employee Benefits	<u>7,126,904</u>	<u>142,118</u>	<u>7,269,022</u>	<u>7,249,791</u>	<u>19,231</u>
On-behalf TPAF pension contributions (non-budgeted)				905,434	(905,434)
On-behalf TPAF medical (non-budgeted)				1,437,376	(1,437,376)
Reimbursed TPAF social security contributions (non-budgeted)				1,327,844	(1,327,844)
Total Undistributed Expenditures - TPAF				<u>3,670,654</u>	<u>(3,670,654)</u>
Total Undistributed Expenditures	<u>\$ 23,865,561</u>	<u>\$ 219,742</u>	<u>\$ 24,085,303</u>	<u>\$ 27,187,430</u>	<u>\$ (3,102,127)</u>
Total General Current Expense	<u>\$ 41,692,026</u>	<u>\$ 22,319</u>	<u>\$ 41,714,345</u>	<u>\$ 44,610,501</u>	<u>\$ (2,896,156)</u>
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Construction services	82,745		82,745	21,913	60,832
Assessment for Debt Service on SDA funding	20,110		20,110	20,110	
Total Facilities Acquisition and Construction Services	<u>102,855</u>		<u>102,855</u>	<u>42,023</u>	<u>60,832</u>
Assets acquired under capital leases (non-budgeted):					
Equipment					
Undistributed expenditures - instruction				90,382	(90,382)
Undistributed expenditures - noninstruction				122,130	(122,130)
Total assets acquired under capital leases				<u>212,512</u>	<u>(212,512)</u>
Total Capital Outlay	<u>\$ 102,855</u>	<u>\$ -</u>	<u>\$ 102,855</u>	<u>\$ 254,535</u>	<u>\$ (151,680)</u>

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Total Expenditures	\$ 41,794,861	\$ 22,319	\$ 41,817,200	\$ 44,865,036	\$ (3,047,836)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(1,788,211)</u>	<u>-</u>	<u>(1,788,211)</u>	<u>(511,143)</u>	<u>1,277,068</u>
Other Financing Sources (Uses):					
Proceeds from Capital Lease				212,512	212,512
Total Other Financing Sources				<u>212,512</u>	<u>212,512</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,788,211)</u>		<u>(1,788,211)</u>	<u>(298,631)</u>	<u>1,489,580</u>
Fund Balance, July 1	<u>5,174,728</u>		<u>5,174,728</u>	<u>5,174,728</u>	
Fund Balance, June 30	<u>\$ 3,386,517</u>	<u>\$ -</u>	<u>\$ 3,386,517</u>	<u>\$ 4,876,097</u>	<u>\$ 1,489,580</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 934,685	
Reserve for Excess Surplus				540,921	
Maintenance Reserve				156,325	
Capital Reserve				1,257,888	
Assigned Fund Balance					
Year-end Encumbrances				4,487	
Designated for Subsequent Years Expenditures				701,580	
Unassigned Fund Balance				<u>1,280,211</u>	
				4,876,097	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(1,084,166)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 3,791,931</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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 223,537	\$ 137,269	\$ 360,806	\$ 299,247	\$ (61,559)
Federal sources	870,568	323,888	1,194,456	1,030,482	(163,974)
Total revenues	1,094,105	461,157	1,555,262	1,329,729	(225,533)
EXPENDITURES:					
Instruction:					
Salaries of teachers	-	221,123	221,123	189,349	31,774
Purchased professional - educ. services	455,973	(233,520)	222,453	154,411	68,042
Purchased professional - tech. services	30,218	24,538	54,756	52,774	1,982
Tuition	522,032	(272,032)	250,000	250,000	-
Other purchased services	-	20,969	20,969	13,893	7,076
General supplies	23,198	58,849	82,047	75,420	6,627
Textbooks	25,917	12,274	38,191	37,951	240
Other Objects	-	4,092	4,092	3,209	883
Total instruction	1,057,338	(163,707)	893,631	777,007	116,624
Support services:					
Salaries of other professional staff	-	43,361	43,361	23,768	19,593
Other salaries	-	24,469	24,469	9,886	14,583
Personal services - employee benefits	-	19,094	19,094	11,076	8,018
Purchased professional - educ. services	-	419,259	419,259	401,295	17,964
Purchased professional and technical services	36,767	24,411	61,178	61,178	-
Travel	-	86,873	86,873	40,371	46,502
Tuition	-	-	-	-	-
Supplies and materials	-	7,247	7,247	5,009	2,238
Other objects	-	150	150	139	11
Total support services	36,767	624,864	661,631	552,722	108,909
Facilities acquisition and construction services:					
Building	-	-	-	-	-
Non- Instructional equipment	-	-	-	-	-
Total facilities acq. and const. services	-	-	-	-	-
Total expenditures	1,094,105	461,157	1,555,262	1,329,729	225,533
Total outflows	1,094,105	461,157	1,555,262	1,329,729	225,533
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-

DELRAN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 44,353,893	\$ 1,329,729
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.	1,080,927	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,084,166)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 44,350,654	\$ 1,329,729
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 44,865,036	\$ 1,329,729
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 44,865,036	\$ 1,329,729

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

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

	June 30, 2015
District's proportion of the net pension liability (asset)	0.0422519522%
District's proportionate share of the net pension liability (asset)	\$ 7,910,721
District's covered-employee payroll	2,886,816
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	274.03%
Plan fiduciary net position as a percentage of the total pension liability	42.74%

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

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

	June 30, 2015
Contractually required contribution	\$ 348,319
Contributions in relation to the contractually required contributions	<u>(348,319)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 2,886,816
Contributions as a percentage of covered-employee payroll	12.07%

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

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

	<u>June 30,</u> <u>2015</u>
District's proportion of the net pension liability (asset)	0.1638892624%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 87,593,477</u>
Total	<u><u>\$ 87,593,477</u></u>
District's covered-employee payroll	\$ 17,726,454
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

Delran Township School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2015

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

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

Changes of assumptions: Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

2. Public Employees' Retirement System (PERS)

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

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

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, 2015

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
State sources	\$ 179,798	\$ -	\$ 119,449	\$ 299,247
Federal sources		339,843	690,639	1,030,482
Total Revenues	179,798	339,843	810,088	1,329,729
EXPENDITURES:				
Instruction:				
Salaries of teachers		161,849	27,500	189,349
Professional education services	127,024	27,387		154,411
Tuition			250,000	250,000
Professional technical services	52,774			52,774
Other purchased services			13,893	13,893
General supplies		33,426	41,994	75,420
Textbooks			37,951	37,951
Other Objects		66	3,143	3,209
Total instruction	179,798	222,728	374,481	777,007
Support services:				
Salaries of other professional staff		23,768		23,768
Other salaries		9,886		9,886
Personal services-employee benefits		11,076		11,076
Purchased prof. and educational services		26,866	374,429	401,295
Purchase professional and technical services			61,178	61,178
Travel		40,371		40,371
Other objects		139		139
Supplies and materials		5,009		5,009
Total support services		117,115	435,607	552,722
Facilities acquisition and const. serv.:				
Building				
Non- Instructional equipment				
Total facilities acquisition and const. serv.:				
Total Expenditures	179,798	339,843	810,088	1,329,729
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, 2015

	<u>Chapter 192 - Auxillary Services</u>		<u>Chapter 193 - Handicapped Services</u>			<u>Carried Forward (Ex. E-1A)</u>
	<u>Comp. Education</u>	<u>ESL</u>	<u>Corrective Speech</u>	<u>Suppl. Instruction</u>	<u>Exam & Classification</u>	
REVENUES:						
State sources	\$ 69,759	\$ 12,972	\$ 8,040	\$ 36,253	\$ 52,774	\$ 179,798
Federal sources						
Total Revenues	<u>69,759</u>	<u>12,972</u>	<u>8,040</u>	<u>36,253</u>	<u>52,774</u>	<u>179,798</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Professional education services	69,759	12,972	8,040	36,253		127,024
Professional technical services					52,774	52,774
Other Objects						
Total instruction	<u>69,759</u>	<u>12,972</u>	<u>8,040</u>	<u>36,253</u>	<u>52,774</u>	<u>179,798</u>
Support services:						
Personal services-employee benefits						
Purchased prof. and educational services						
Purchase professional and technical services						
Travel						
Tuition						
Other purchased services (400-500)						
Supplies and materials						
Total support services						
Facilities acquisition and const. serv.:						
Instructional equipment						
Total facilities acquisition and const. serv.						
Total Expenditures	<u>69,759</u>	<u>12,972</u>	<u>8,040</u>	<u>36,253</u>	<u>52,774</u>	<u>179,798</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2015

	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 II-A Current Yr.	Title II-A Prior Yr.	Title III Immigrant - CY	Title III Current Yr.	Title III Prior Yr.	
REVENUES:								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	234,275	41,271	24,437	2,870	5,850	26,068	5,072	339,843
Total Revenues	234,275	41,271	24,437	2,870	5,850	26,068	5,072	339,843
EXPENDITURES:								
Instruction:								
Salaries of teachers	128,896	23,022				9,639	292	161,849
Professional education services	25,817	1,459				111		27,387
General supplies	18,010	1,926			1,404	11,131	955	33,426
Textbooks								
Other Objects					51		15	66
Total instruction	172,723	26,407			1,455	20,881	1,262	222,728
Support services:								
Salaries of other professional staff	23,768							23,768
Salaries of secretaries & clerical assistants		4,356	1,348		4,095		87	9,886
Other salaries		2,228			300			11,076
Personal services-employee benefits	8,548	4,439	2,976	2,781		4,886	3,423	26,866
Purchased prof. and educational services	8,361	3,841	15,104	89		162	300	40,371
Travel	20,875							
Other purchased services (400-500)			5,009					5,009
Supplies and materials						139		139
Other objects								
Total support services	61,552	14,864	24,437	2,870	4,395	5,187	3,810	117,115
Facilities acquisition and const. serv.:								
Instructional equipment								
Total facilities acquisition and const. serv.:								
Total Expenditures	234,275	41,271	24,437	2,870	5,850	26,068	5,072	339,843
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, 2015

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	IDEA		RTTP Current Yr.	Carried Forward (Exh. E-1A)
				Basic Current Yr.	Preschool Current Yr.		
REVENUES:							
State sources	\$ 37,951	\$ 61,178	\$ 20,320	\$ -	\$ -	\$ -	\$ 119,449
Federal sources				668,921	21,655	63	690,639
Total Revenues	37,951	61,178	20,320	668,921	21,655	63	810,088
EXPENDITURES:							
Instruction:							
Salaries of teachers				27,500			27,500
Professional education services							
Professional technical services							
Tuition				250,000			250,000
Other purchased services					13,893		13,893
General supplies			20,320	13,849	7,762	63	41,994
Textbooks	37,951						37,951
Other objects				3,143			3,143
Total instruction	37,951		20,320	294,492	21,655		374,481
Support services:							
Personal services-employee benefits							
Purchased prof. and educational services				374,429			374,429
Purchase professional and technical services		61,178					61,178
Travel							
Miscellaneous expenditures							
Total support services		61,178		374,429			435,607
Facilities acquisition and const. serv.:							
Building							
Non- Instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	37,951	61,178	20,320	668,921	21,655		810,088
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

Revenues and Other Financing Sources:

Interest earned on investments	\$ -
	<hr/>
Total revenues and other financing sources	<hr/> <hr/>

Expenditures and Other Financing (Uses):

Construction services	15,165
	<hr/>
Total expenditures and other financing (uses)	<hr/> <hr/>
Excess (deficiency) or revenues over (under) expenditures	(15,165)
Fund Balance - July 1, 2014	<hr/> <hr/>
Fund Balance - June 30, 2015	<hr/> <hr/> <hr/>

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant				
Transfer from capital reserve				
Bond proceeds	\$ 25,858,000	\$ -	\$ 25,858,000	\$ 25,858,000
Total revenues	25,858,000		25,858,000	25,858,000
Expenditures and Other Financing Uses:				
Purchased professional services	3,738,652		3,738,652	3,738,652
Construction services	21,361,870	15,165	21,377,035	21,377,035
Other Objects	668,908		668,908	668,908
Total expenditures	25,769,430	15,165	25,784,595	25,784,595
Excess (deficiency) or revenues over (under) expenditures	\$ 88,570	\$ (15,165)	\$ 73,405	\$ 73,405
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/09/08			
Bonds Authorized	\$0			
Bonds Issued	\$0			
Original Authorized Cost	\$0			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$0			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/12			
Revised target completion date	N/A			

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2015

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction and various improvements to the District's facilities	12/9/08	\$ 25,858,000	\$ 25,769,430	\$ 15,165	\$ 73,405
Total		<u>\$ 25,858,000</u>	<u>\$ 25,769,430</u>	<u>\$ 15,165</u>	<u>\$ 73,405</u>

Proprietary Funds

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
as of June 30, 2015

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 367,208
Accounts receivable:	
State	684
Federal	27,537
Other	3,305
Inventories	8,647
Total current assets	407,381
Fixed assets:	
Equipment	608,717
Less Accumulated depreciation	(433,927)
Total fixed assets	174,790
Total assets	\$ 582,171
LIABILITIES:	
Current liabilities:	
Unearned revenue	\$ 13,922
Total current liabilities	13,922
NET POSITION:	
Net investment in capital assets	174,790
Unreserved retained earnings	393,459
Total Net Position	\$ 568,249

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Revenues, Expenses and Change in Fund Net Position
for the Fiscal Year ended June 30, 2015

	Food Service Fund
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 372,140
Total-daily sales-reimbursable programs	372,140
Daily sales non-reimbursable programs	346,131
Total operating revenue	718,271
OPERATING EXPENSES:	
Salaries	406,011
Benefits	82,691
Supplies and materials	64,814
Depreciation	43,161
Management fee	72,282
Software/Equipment	80,119
Repairs and maintenance of equipment	19,571
Cost of sales	469,071
Direct services	29,928
Other	82,832
Total operating expenses	1,350,480
Operating income (loss)	(632,209)
Non-operating revenues:	
State sources:	
State school lunch program	11,418
Federal sources:	
National school lunch program	331,683
National school breakfast program	88,676
U.S.D.A. commodities	76,706
Interest revenue	
Total non-operating revenues	508,483
Net income (loss)	(123,726)
Net Position - July 1	691,975
Net Position - June 30	\$ 568,249

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Years ended June 30, 2015

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 718,847
Cash payments to employees for services	(488,702)
Cash payments to suppliers for goods and services	<u>(741,633)</u>
Net cash used by operating activities	<u>(511,488)</u>
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	<u>427,940</u>
Net cash provided by noncapital financing activities	<u>427,940</u>
Cash flows from capital financing activities:	
Purchases of fixed assets	<u>(3,648)</u>
Net cash used by capital financing activities	<u>(3,648)</u>
Cash flows from investing activities:	
Interest on investments	<u>-</u>
Net cash provided by investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(87,196)
Cash and cash equivalents, July 1	<u>454,404</u>
Cash and cash equivalents, June 30	<u>\$ 367,208</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (632,209)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	43,161
Federal commodities	76,706
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	(583)
(Increase)/decrease in inventory	279
Increase/(decrease) in unearned revenue	<u>1,158</u>
Net cash used by operating activities	<u>\$ (511,488)</u>

Fiduciary Funds

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2015

	<u>Agency Funds</u>		<u>Employee Benefit Trust Funds</u>	<u>Total</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Unemployment Compensation</u>	
ASSETS:				
Cash and cash equivalents	<u>\$ 327,368</u>	<u>\$ 183,584</u>	<u>\$ 190,604</u>	<u>\$ 701,556</u>
TOTAL ASSETS	<u><u>\$ 327,368</u></u>	<u><u>\$ 183,584</u></u>	<u><u>\$ 190,604</u></u>	<u><u>\$ 701,556</u></u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 22,382	\$ 22,382
Interfund payable		124,330		124,330
Payroll deductions and withholdings		59,254		59,254
Due to student groups	<u>327,368</u>			<u>327,368</u>
Total liabilities	<u>327,368</u>	<u>183,584</u>	<u>22,382</u>	<u>533,334</u>
NET POSITION:				
Restricted for:				
Reserved for unemployment claims			<u>168,222</u>	<u>168,222</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 168,222</u></u>	<u><u>\$ 168,222</u></u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Statement of Change in Fiduciary Net Position
for the Fiscal Year ended June 30, 2015

	<u>Unemployment Compensation Insurance Fund</u>
REVENUES:	
Local sources:	
Employee contributions	\$ 47,002
Employer contributions	
Interest on Investments	
	<hr/>
Total Revenues	<u>47,002</u>
 EXPENDITURES:	
Current Expense:	
Undistributed Expenditures:	
Unemployment claims	<u>45,780</u>
Total Expenditures	<u>45,780</u>
Excess (deficiency) of revenues over (under) expenditures)	1,222
Net Assets July 1	<u>167,000</u>
Net Assets June 30	<u><u>\$ 168,222</u></u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2015</u>	<u>Balance</u> <u>June 30, 2015</u>
Delran School District					
Activity Funds	\$ 315,414	\$ 665,172	\$ 668,648	\$ -	\$ 311,938
Athletic Funds	29,550	165,445	179,565		15,430
Total	<u>\$ 344,964</u>	<u>\$ 830,617</u>	<u>\$ 848,213</u>	<u>\$ -</u>	<u>\$ 327,368</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ 199,453	\$ 32,173,446	\$ 32,189,315	\$ 183,584
Total assets	<u>\$ 199,453</u>	<u>\$ 32,173,446</u>	<u>\$ 32,189,315</u>	<u>\$ 183,584</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 199,453	\$ 17,741,630	\$ 17,881,829	\$ 59,254
Net payroll		14,307,486	14,307,486	
Interfund payable		<u>124,330</u>		<u>124,330</u>
Total liabilities	<u>\$ 199,453</u>	<u>\$ 32,173,446</u>	<u>\$ 32,189,315</u>	<u>\$ 183,584</u>

Long-Term Debt Schedules

DELTRAN TOWNSHIP SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2014	Issued	Retired	Balance June 30, 2015
Refunding Bonds	11/15/1998	\$ 7,095,000	07/15/2015	\$ 710,000	4.25%	\$ 1,430,000	\$ -	\$ 720,000	\$ 710,000
Refunding Bonds	9/15/2005	\$ 3,715,000	01/15/2016	255,000	4.000%	2,585,000		245,000	2,340,000
			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						\$ 4,015,000	\$ -	\$ 965,000	\$ 3,050,000

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2014	Issued	Retired	Balance June 30, 2015
Balance brought forward						\$ 4,015,000	\$ -	\$ 965,000	\$ 3,050,000
School Bonds	7/15/2009	\$ 25,858,000	07/15/2015	\$ 420,000	4.000%	24,928,000		365,000	24,563,000
			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>\$ 28,943,000</u>	<u>\$ -</u>	<u>\$ 1,330,000</u>	<u>\$ 27,613,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Capital Leases
June 30, 2015

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2014	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2015
Phone System	2.05%	\$ 287,800	\$ 172,632	\$ -	\$ 56,380	\$ 116,252
Brodcade Network Switches	2.17%	177,651	140,579		34,021	106,558
Computers	5.09%	162,331	105,069		51,019	54,050
Computers	1.53%	67,327		67,327	22,714	44,613
Computers	1.53%	23,055		23,055	7,783	15,272
Surveillance System	1.92%	122,130		122,130		122,130
Total			<u>\$ 418,280</u>	<u>\$ 212,512</u>	<u>\$ 171,917</u>	<u>\$ 458,875</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,051,483	\$ -	\$ 2,051,483	\$ 2,051,483	\$ -
Miscellaneous	-				
Total revenues - local sources	<u>2,051,483</u>		<u>2,051,483</u>	<u>2,051,483</u>	
State sources:					
Debt service aid type II	459,190		459,190	459,190	
Total revenues - state sources	<u>459,190</u>		<u>459,190</u>	<u>459,190</u>	
Total Revenues	<u>2,510,673</u>		<u>2,510,673</u>	<u>2,510,673</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	1,330,000		1,330,000	1,330,000	
Interest on bonds	1,181,170		1,181,170	1,181,170	
Total Expenditures	<u>2,511,170</u>		<u>2,511,170</u>	<u>2,511,170</u>	
Excess (Deficiency) of revenues over (under) expenditures	(497)		(497)	(497)	
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund					
Total Other Financing Sources (Uses)					
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(497)		(497)	(497)	
Fund Balances, July 1	498		498	498	
Fund Balances, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

Statistical Section

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

Exhibit J-1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 2,588,697	\$ 3,295,486	\$ 4,226,078	\$ 5,221,496	\$ (14,312,597)	\$ (967,535)	\$ 7,020,702	\$ 8,434,666	\$ 9,582,074	\$ 10,712,615
Restricted for:										
Special revenue	(3,264)	(3,264)	(3,264)	-	-	-	-	-	-	-
Capital projects	189,971	189,971	849,032	1,356,230	21,479,919	9,217,174	2,507,499	143,044	88,570	1,331,293
Debt service	78,480	(10,342)	(52,579)	(86,248)	(701,109)	(213,011)	184,770	16,772	498	1
Other purposes	4,578,650	7,062,578	7,915,528	7,282,414	3,875,254	2,529,736	3,466,309	5,342,050	3,931,940	2,337,998
Unrestricted	(773,946)	(721,550)	(683,683)	(1,728,251)	(788,526)	(342,961)	(1,166,724)	(1,361,007)	(1,294,478)	(8,719,600)
Total governmental activities net position	<u>\$ 6,658,588</u>	<u>\$ 9,812,879</u>	<u>\$ 12,251,112</u>	<u>\$ 12,045,641</u>	<u>\$ 9,552,941</u>	<u>\$ 10,223,403</u>	<u>\$ 12,012,556</u>	<u>\$ 12,575,525</u>	<u>\$ 12,308,604</u>	<u>\$ 5,662,307</u>
Business-type activities:										
Net investment in capital assets	\$ 288,284	\$ 256,477	\$ 224,670	\$ 195,690	\$ 192,514	\$ 164,259	\$ 176,928	\$ 215,563	\$ 214,303	\$ 174,790
Unrestricted	135,123	170,470	195,764	273,440	330,327	408,582	411,440	391,787	477,672	393,459
Total business-type activities net position	<u>\$ 423,407</u>	<u>\$ 426,947</u>	<u>\$ 420,434</u>	<u>\$ 469,130</u>	<u>\$ 522,841</u>	<u>\$ 572,841</u>	<u>\$ 588,368</u>	<u>\$ 607,350</u>	<u>\$ 691,975</u>	<u>\$ 568,249</u>
District-wide:										
Net investment in capital assets	\$ 2,876,981	\$ 3,551,963	\$ 4,450,748	\$ 5,417,186	\$ (14,120,083)	\$ (803,276)	\$ 7,197,630	\$ 8,650,229	\$ 9,796,377	\$ 10,887,405
Restricted:										
Special revenue	(3,264)	(3,264)	(3,264)	-	-	-	-	-	-	-
Capital projects	189,971	189,971	849,032	1,356,230	21,479,919	9,217,174	2,507,499	143,044	88,570	1,331,293
Debt service	78,480	(10,342)	(52,579)	(86,248)	(701,109)	(213,011)	184,770	16,772	498	1
Other purposes	4,578,650	7,062,578	7,915,528	7,282,414	3,875,254	2,529,736	3,466,309	5,342,050	3,931,940	2,337,998
Unrestricted	(638,823)	(551,080)	(487,919)	(1,454,811)	(458,199)	65,621	(755,284)	(969,220)	(816,806)	(8,326,141)
Total district net position	<u>\$ 7,081,995</u>	<u>\$ 10,239,826</u>	<u>\$ 12,671,546</u>	<u>\$ 12,514,771</u>	<u>\$ 10,075,782</u>	<u>\$ 10,796,244</u>	<u>\$ 12,600,924</u>	<u>\$ 13,182,875</u>	<u>\$ 13,000,579</u>	<u>\$ 6,230,556</u>

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

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 12,470,692	\$ 12,380,846	\$ 13,161,949	\$ 14,396,344	\$ 13,033,498	\$ 12,943,169	\$ 12,361,189	\$ 12,889,137	\$ 13,585,210	\$ 13,678,892
Special education	2,110,993	2,109,361	2,330,219	3,201,869	3,795,323	3,572,329	3,587,291	3,824,781	4,022,642	3,992,508
Other instruction	768,041	790,876	890,677	1,013,788	1,187,641	1,101,835	1,128,614	1,201,593	1,217,019	1,181,252
Support Services:										
Tuition	1,262,825	1,242,768	1,284,943	1,495,174	1,081,770	1,356,143	1,745,432	1,778,003	2,079,494	2,300,538
Student & instruction related services	3,760,279	3,535,523	3,922,247	3,751,828	4,399,657	3,966,987	4,148,865	4,491,056	4,802,353	5,389,417
School administrative services	1,871,216	1,164,681	1,208,038	1,322,191	1,336,227	1,356,442	1,432,907	1,630,873	1,567,995	1,536,975
General and business administrative services	773,888	1,412,575	1,418,003	1,414,539	1,545,657	1,400,947	1,407,930	1,390,571	1,491,862	1,461,655
Plant operations and maintenance	4,454,796	3,318,621	3,807,123	3,803,935	3,757,852	3,837,723	3,629,140	4,465,667	4,253,137	3,450,635
Pupil transportation	2,005,501	1,988,912	2,082,499	2,471,071	2,226,338	2,496,052	2,665,982	2,672,346	2,262,203	2,224,397
Business and other support services										
Unallocated employee benefits	5,989,623	6,283,323	7,210,921	7,031,078	7,900,143	8,182,693	8,211,029	9,534,225	9,802,155	11,000,704
Special schools										
Charter schools										
Interest on long-term debt	507,006	480,644	439,576	388,309	1,379,222	1,360,773	1,321,345	1,291,209	1,236,235	1,156,126
Unallocated depreciation	67,865	68,588	64,480	63,600	67,622	66,101	65,478	6,910	42,481	46,777
Total governmental activities expenses	<u>36,042,725</u>	<u>34,776,728</u>	<u>37,820,675</u>	<u>40,353,726</u>	<u>41,710,950</u>	<u>41,641,194</u>	<u>41,705,202</u>	<u>45,176,371</u>	<u>46,362,796</u>	<u>47,449,976</u>
Business-type activities:										
Food service	873,115	861,220	923,356	966,803	993,206	938,826	1,015,497	1,070,224	1,094,819	1,350,480
Total business-type activities expense	<u>873,115</u>	<u>861,220</u>	<u>923,356</u>	<u>966,803</u>	<u>993,206</u>	<u>938,826</u>	<u>1,015,497</u>	<u>1,070,224</u>	<u>1,094,819</u>	<u>1,350,480</u>
Total district expenses	<u>\$ 36,915,840</u>	<u>\$ 35,637,948</u>	<u>\$ 38,744,031</u>	<u>\$ 41,320,529</u>	<u>\$ 42,704,156</u>	<u>\$ 42,580,020</u>	<u>\$ 42,720,699</u>	<u>\$ 46,246,595</u>	<u>\$ 47,457,605</u>	<u>\$ 48,770,356</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 3,805,024	\$ 4,492,975	\$ 5,068,069	\$ 3,993,923	\$ 4,630,190	\$ 4,418,345	\$ 4,655,117	\$ 4,777,516	\$ 5,020,135	\$ 5,459,573
Total governmental activities program revenues	<u>3,805,024</u>	<u>4,492,975</u>	<u>5,068,069</u>	<u>3,993,923</u>	<u>4,630,190</u>	<u>4,418,345</u>	<u>4,655,117</u>	<u>4,777,516</u>	<u>5,020,135</u>	<u>5,459,573</u>

(Continued)

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

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	\$ 679,865	\$ 684,291	\$ 698,247	\$ 753,695	\$ 732,684	\$ 697,438	\$ 703,921	\$ 668,896	\$ 703,279	\$ 718,271
Operating grants and contributions	157,412	173,003	212,821	259,573	311,084	287,425	324,993	417,918	478,165	508,483
Capital grants and contributions										
Total business-type activities program revenues	<u>837,277</u>	<u>857,294</u>	<u>911,068</u>	<u>1,013,268</u>	<u>1,043,768</u>	<u>984,863</u>	<u>1,028,914</u>	<u>1,086,814</u>	<u>1,181,444</u>	<u>1,226,754</u>
Total district program revenues	<u>\$ 4,642,301</u>	<u>\$ 5,350,269</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>	<u>\$ 5,864,330</u>	<u>\$ 6,201,579</u>	<u>\$ 6,686,327</u>
Net (Expense)/Revenue:										
Governmental activities	(32,237,701)	(30,283,753)	(32,752,606)	(36,359,803)	(37,080,760)	(37,222,849)	(37,050,085)	(40,398,855)	(41,342,651)	(41,960,303)
Business-type activities	(35,838)	(3,926)	(12,288)	46,465	50,562	46,037	13,417	16,590	86,625	(123,726)
Total district-wide net expense	<u>(32,273,539)</u>	<u>(30,287,679)</u>	<u>(32,764,894)</u>	<u>(36,313,338)</u>	<u>(37,030,198)</u>	<u>(37,176,812)</u>	<u>(37,036,668)</u>	<u>(40,382,265)</u>	<u>(41,256,026)</u>	<u>(42,084,029)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	20,668,867	22,780,246	23,729,696	22,966,971	24,062,969	24,790,975	25,383,164	26,290,827	26,816,644	28,374,222
Taxes levied for debt service	1,094,990	1,095,818	1,121,154	1,112,255	1,061,880	2,084,404	1,864,473	1,942,891	2,090,932	2,051,483
Unrestricted grants and contributions	8,892,981	8,966,317	9,465,504	10,959,286	8,909,354	10,436,232	11,330,345	12,240,166	11,949,588	12,121,250
Investment earnings	261,326	376,447	333,393	149,001	376,633	249,539	45,436	103,035	104,203	-
Miscellaneous income	206,993	219,216	541,092	966,819	177,224	332,161	215,820	767,136	114,363	184,528
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>31,125,157</u>	<u>33,438,044</u>	<u>35,190,839</u>	<u>36,154,332</u>	<u>34,588,060</u>	<u>37,893,311</u>	<u>38,839,238</u>	<u>41,344,055</u>	<u>41,075,730</u>	<u>42,731,483</u>
Business-type activities:										
Investment earnings	4,338	7,466	5,775	2,231	3,149	3,963	2,110	392	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>392</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>31,129,495</u>	<u>33,445,510</u>	<u>35,196,614</u>	<u>36,156,563</u>	<u>34,591,209</u>	<u>37,897,274</u>	<u>38,841,348</u>	<u>41,344,447</u>	<u>41,075,730</u>	<u>42,731,483</u>
Change in Net Position:										
Governmental activities	\$ (1,112,544)	\$ 3,154,291	\$ 2,438,233	\$ (205,471)	\$ (2,492,700)	\$ 670,462	\$ 1,789,153	\$ 945,200	\$ (266,921)	\$ 771,180
Business-type activities	(31,500)	3,540	(6,513)	48,696	53,711	50,000	15,527	16,982	86,625	(123,726)
Total district-wide	<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>	<u>\$ 962,182</u>	<u>\$ (180,296)</u>	<u>\$ 647,454</u>

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

Exhibit J-3

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved for:										
Encumbrances	\$ 181,285	\$ 335,644	\$ 59,051	\$ 312,789	\$ 57,849	\$ 44,859	\$ 105,738	\$ 214,577	\$ 72,938	\$ 4,487
Maintenance reserve			300,000	300,000	300,000	300,000	300,000	300,000	156,325	156,325
Capital reserve			600,000	1,107,198	1,118,432	1,389,314	1,847,731	1,551,146	1,102,219	1,257,888
Legally restricted		40,959	13,839	257,647	247,093	600,000	400,000	909,015	621,248	701,580
Excess surplus	4,397,365	6,685,975	7,542,638	6,411,978	3,270,312	1,584,877	2,660,571	2,367,312	1,979,210	1,475,606
Unreserved	228,572	252,457	287,635	(117,525)	(176,790)	103,435	(33,044)	62,240	161,861	196,045
Total general fund	<u>\$ 4,807,222</u>	<u>\$ 7,315,035</u>	<u>\$ 8,803,163</u>	<u>\$ 8,272,087</u>	<u>\$ 4,816,896</u>	<u>\$ 4,022,485</u>	<u>\$ 5,280,996</u>	<u>\$ 5,404,290</u>	<u>\$ 4,093,801</u>	<u>\$ 3,791,931</u>
All Other Governmental Funds										
Reserved:										
Encumbrances					\$ 5,267,712	\$ 5,267,712	\$ 532,688	\$ 119,180	\$ 15,165	\$ -
Debt service reserve	\$ 171,721	\$ 174,692	\$ 105,500	\$ 105,500						
Unreserved, reported in:										
Special revenue fund	(3,264)	(3,264)	(3,264)	-	-	-	-	-	-	-
Capital projects fund	189,971	189,971	143,532	143,532	2,560,148	2,560,148	127,080	23,864	73,405	73,405
Debt service fund	55,057	34,470	146,006	88,765	412,472	412,472	184,770	16,772	498	1
Total all other governmental funds	<u>\$ 413,485</u>	<u>\$ 395,869</u>	<u>\$ 391,774</u>	<u>\$ 337,797</u>	<u>\$ 8,240,332</u>	<u>\$ 8,240,332</u>	<u>\$ 844,538</u>	<u>\$ 159,816</u>	<u>\$ 89,068</u>	<u>\$ 73,406</u>

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

Exhibit J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 21,763,857	\$ 23,876,064	\$ 24,850,850	\$ 24,079,226	\$ 25,124,849	\$ 26,875,379	\$ 27,247,637	\$ 28,233,718	\$ 28,907,576	\$ 30,425,705
Tuition charges	13,164	40,900	23,982	19,847	7,929	17,962	45,436	103,035	104,203	85,960
Interest earnings	261,326	395,882	333,393	149,001	249,459	173,375	57,426	1,983	-	5,669
Miscellaneous	193,829	165,233	522,481	956,133	296,469	400,240	170,106	773,798	117,054	92,899
State sources	11,887,800	12,580,096	13,646,901	14,010,276	10,290,352	13,538,492	14,430,812	16,004,392	15,793,662	16,465,984
Federal sources	810,205	872,844	881,301	933,772	3,249,192	1,306,208	1,542,938	1,010,364	1,173,370	1,114,839
Total revenue	34,930,181	37,931,019	40,258,908	40,148,255	39,218,250	42,311,656	43,494,355	46,127,290	46,095,865	48,191,056
Expenditures										
Instruction										
Regular Instruction	11,789,308	11,682,456	12,586,255	13,190,862	13,133,971	12,219,571	11,896,904	12,259,661	12,877,848	13,026,318
Special education instruction	1,993,590	2,109,361	2,330,219	3,201,869	3,795,323	3,572,329	3,587,291	3,824,781	4,022,642	3,992,508
Other instruction	768,041	790,876	890,677	1,013,788	1,187,641	1,101,835	1,128,614	1,201,593	1,217,019	1,181,252
Support Services:										
Tuition	1,262,825	1,242,768	1,284,943	1,495,174	1,081,770	1,356,143	1,745,432	1,778,003	2,079,494	2,300,538
Student & instruction related services	3,215,145	3,535,523	3,922,247	3,751,828	4,399,657	3,966,987	4,148,865	4,491,056	4,802,353	5,389,417
School administrative services	1,207,143	1,164,681	1,208,038	1,322,191	1,336,227	1,356,442	1,407,930	1,533,690	1,567,995	1,536,975
General and business admin. services	1,354,814	1,327,956	1,332,288	1,330,582	1,466,900	1,325,230	1,358,437	1,390,571	1,396,782	1,368,100
Plant operations and maintenance	3,218,575	3,254,389	3,913,069	3,733,560	3,942,649	3,671,948	3,300,342	3,972,164	4,180,860	3,989,204
Pupil transportation	2,005,501	1,988,912	2,082,499	2,471,071	2,226,338	2,496,052	2,665,982	2,672,346	2,262,203	2,224,397
Employee benefits	5,989,623	6,283,323	7,210,921	7,031,078	7,900,143	8,182,693	8,211,029	9,534,225	9,802,155	10,931,521
Capital outlay	1,949,424	577,093	855,066	627,153	6,492,769	13,604,868	7,586,870	1,725,450	1,016,984	269,700
Debt service:										
Principal	702,187	978,164	1,035,158	1,152,271	1,164,415	1,929,409	1,344,788	1,301,769	1,354,515	1,330,000
Interest and other charges	705,194	505,320	460,495	411,881	360,116	936,725	1,249,154	1,291,209	1,236,234	1,181,170
Total expenditures	36,161,370	35,440,822	39,111,875	40,733,308	48,487,919	55,720,232	49,631,638	46,976,518	47,817,084	48,721,100
Excess (Deficiency) of revenues over (under) expenditures	(1,231,189)	2,490,197	1,147,033	(585,053)	(9,269,669)	(13,408,576)	(6,137,283)	(849,228)	(1,721,219)	(530,044)
Other Financing sources (uses)										
Proceeds from borrowing	1,550,000	-	-	-	25,858,000	-	-	-	-	-
Accrued interest on sale of bonds	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	337,000	-	473,178	-	-	287,800	339,982	212,512
Transfers in	-	16,464	129,422	5,523	487,257	168,493	16,271	495	-	-
Transfers out	-	(16,464)	(129,422)	(5,523)	(487,257)	(168,493)	(16,271)	(495)	-	-
Total other financing sources (uses)	1,550,000	-	337,000	-	26,331,178	-	-	287,800	339,982	212,512
Net change in fund balances	\$ 318,811	\$ 2,490,197	\$ 1,484,033	\$ (585,053)	\$ 17,061,509	\$ (13,408,576)	\$ (6,137,283)	\$ (561,428)	\$ (1,381,237)	\$ (317,532)
Debt service as a percentage of noncapital expenditures	4.11%	4.26%	3.91%	3.90%	3.63%	6.81%	6.17%	5.73%	5.54%	5.18%

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

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Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation	Prior Year Refunds	Rentals	Other Refunds	Shared Services	Sale of Used Equipment	Miscellaneous	Total
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
2013	9,006	103,035	94,364	616,259	26,157	19,020			1,835	869,676
2014	6,315	104,203	14,286	44,135	10,012	18,240	15,000		6,375	218,566
2015	5,669	85,960	22,808	6,271	15,859	14,859	4,167	6,772	22,163	184,528
	<u>\$ 1,228,027</u>	<u>\$ 123,784</u>	<u>\$ 109,006</u>	<u>\$ 1,436,056</u>	<u>\$ 75,971</u>	<u>\$ 145,489</u>	<u>\$ 19,167</u>	<u>\$ 5,104</u>	<u>\$ 74,690</u>	<u>\$ 2,996,369</u>

Source: District records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2006	\$ 16,076,800	\$1,194,659,100	\$ 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	2,869,100	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	1,553,748,900	2,056,707	1,555,805,607	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	1,561,461,000	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	176,400	170,578,392	93,005,700	54,979,400	1,407,408,292	2,167,078	1,409,575,370	94,024,900	1.954	1,676,731,931
2013	8,661,300	1,078,760,400	2,079,700	176,400	170,339,392	91,643,700	54,979,400	1,406,640,292	1,793,488	1,408,433,780	92,892,800	2.042	1,595,150,639
2014	8,788,000	1,077,322,500	2,101,800	165,100	169,197,092	88,908,700	55,459,400	1,401,942,592	1,428,041	1,403,370,633	101,459,700	2.113	1,556,849,076
2015	8,788,000	1,077,316,900	2,101,800	165,100	169,007,792	86,908,700	55,459,400	1,399,747,692	100	1,399,747,792	101,847,100	2.209	1,538,686,754

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,	Delran 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			
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
2013	1.899	0.143	2.042	0.756	0.431	0.023	0.134	3.386
2014	1.966	0.147	2.113	0.756	0.425	0.023	0.133	3.450
2015	2.062	0.147	2.209	0.765	0.455	0.023	0.155	3.607

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

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Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 40,217,500	2.87%	Hunter's Glen Apartments	\$ 44,478,900	2.90%
New Jersey American Water Co.	26,421,800	1.89%	Whitesell Enterprises	30,310,300	1.98%
Hartford Corners	23,391,000	1.67%	New Jersey American Water	28,664,600	1.87%
Whitesell Enterprises	20,204,900	1.44%	McMillan Inc.	18,394,100	1.20%
Tenby Chase Investors, LLC	16,460,400	1.18%	Tenby Chase Investors, LLC	18,188,300	1.19%
Simon & Schuster	14,358,700	1.03%	Simon & Schuster	15,820,300	1.03%
GPT Cinnaminson Owners	1,050,000	0.08%	Liberty Property Dev. Corp	15,749,900	1.03%
Target	9,598,900	0.69%	Delran Shopping Associates	11,237,000	0.73%
Lowes	9,096,200	0.65%	Delran Holding Corporation	9,666,300	0.63%
KIOP Delran	7,729,400	0.55%	McKesson Corporation	8,030,900	0.52%
Total	\$ 168,528,800	12.04%		\$ 200,540,600	13.08%

Source: Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2013	27,540,678	27,540,678	100.00%	-
2014	28,770,728	28,770,728	100.00%	-
2015	29,666,560	29,666,560	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 ^a	Per Capita ^b
	General Obligation Bonds	Capital Leases	EDA Loans	Certificates of Participation Payable	Capital Leases	Total District		
2006	\$ 10,635,000	\$ 2,310,388	\$ 567,171	\$ 1,055,000	\$ -	\$ 14,567,559	1.91%	\$ 850
2007	9,965,000	1,875,192	504,007	810,000	-	13,154,199	1.68%	778
2008	9,250,000	1,655,206	438,848	555,000	-	11,899,054	1.48%	709
2009	8,435,000	1,080,728	371,578	285,000	-	10,172,306	1.28%	608
2010	33,483,000	787,700	302,162	-	-	34,572,862	4.30%	2,046
2011	32,618,000	286,501	230,437	-	-	33,134,938	3.96%	1,961
2012	31,443,000	104,872	156,283	-	-	31,704,155	3.67%	1,878
2013	30,218,000	79,189	79,514	-	-	30,376,703	3.50%	1,806
2014	28,943,000	418,281	-	-	-	29,361,281	c	1,750
2015	27,613,000	458,875	-	-	-	28,071,875	c	c

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	1,982
2011	32,618,000	-	32,618,000	2.08%	1,930
2012	31,443,000	-	31,443,000	2.23%	1,863
2013	30,218,000	-	30,218,000	2.15%	1,797
2014	28,943,000	-	28,943,000	2.06%	1,725
2015	27,613,000	-	27,613,000	1.97%	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, 2014**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 15,960,510	100.000%	\$ 15,960,510
Burlington County General Obligation Debt	303,216,431	3.401%	10,312,391
			<hr/>
Subtotal, overlapping debt			26,272,901
Delran Township School District Direct Debt			<hr/> 27,858,000
Total direct and overlapping debt			<hr/> \$ 54,130,901 <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.

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis	
	2014	\$1,534,861,607
	2013	1,554,126,938
	2012	1,587,242,914
	[A]	<u>\$4,676,231,459</u>
Average equalized valuation of taxable property	[A/3]	\$1,558,743,820
Debt limit (4% of average equalized valuation)	[B]	62,349,753 ^a
Net bonded school debt	[C]	27,613,000
Legal debt margin	[B-C]	<u>\$ 34,736,753</u>

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 50,444,298	\$ 59,839,702	\$ 67,896,609	\$ 72,324,384	\$ 73,785,280	\$ 72,946,567	\$ 70,327,689	\$ 67,043,440	\$ 64,058,599	\$ 62,349,753
Total net debt applicable to limit	<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>	<u>30,218,000</u>	<u>28,943,000</u>	<u>27,613,000</u>
Legal debt margin	<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>	<u>\$ 36,825,440</u>	<u>\$ 41,884,931</u>	<u>\$ 34,736,753</u>
Total net debt applicable to the limit as a percentage of debt limit	21.08%	17.81%	14.55%	47.42%	45.38%	44.71%	44.71%	45.07%	45.18%	44.29%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2006	17,130	\$ 762,610,470	\$ 44,519	3.3%
2007	16,899	782,339,205	46,295	3.0%
2008	16,787	801,713,546	47,758	4.1%
2009	16,728	792,639,552	47,384	7.1%
2010	16,894	803,917,884	47,586	7.5%
2011	16,899	836,010,429	49,471	7.3%
2012	16,882	863,497,418	51,149	7.2%
2013	16,816	868,344,608	51,638	8.2%
2014	16,775	e	e	5.4%
2015	e	e	e	e

Source:

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

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

Exhibit J-16

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	188	196	198	200	204	193	196	196	205	208
Special education	12	12	21	27	27	26	31	31	34	40
Other special education	13	13	19	22	22	12	12	13	13	10
Support Services:										
Student & instruction related services	39	46	49	47	48	75	74	76	80	80
School administrative services	17	17	17	17	17	17	17	17	17	20
General and business administrative services	2	2	2	2	4	4	4	4	4	4
Plant operations and maintenance	12	13	12	12	13	12	12	12	12	12
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	11	11	9	8	7	9	9	9	9	9
Total	295	311	328	336	343	349	356	359	375	384

Source: District Personnel Records

Delran Township School District
 Operating Statistics,
 Last Ten Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle						
2005	2,818	\$ 32,804,565	\$ 11,641	4.94%	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	1.75%	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	8.89%	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	1.10%	239	1:16	1:14	1:11	1:11	2,893	2,812	-0.72%	97.20%	
2013	2,887	42,658,090	14,776	10.04%	240	1:16	1:14	1:11	1:11	2,838	2,754	-1.90%	97.04%	
2014	2,950	44,209,351	14,986	1.42%	240	1:16	1:14	1:11	1:11	2,956	2,826	4.16%	95.60%	
2015	2,980	45,940,230	15,416	2.87%	240	1:16	1:14	1:11	1:11	2,979	2,840	0.78%	95.33%	

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Sources: District records

Note: Enrollment based on annual October district count.

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

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

Exhibit J-18

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Elementary										
Delran High School (1975)										
Square Feet	147,355	147,355	147,355	147,355	147,355	147,355	147,355	158,436	158,436	158,436
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	782	782	876	901	900	877	867	819	842	851
Delran Middle School (1960)										
Square Feet	87,800	87,800	87,800	87,800	87,800	87,800	87,800	100,851	100,851	100,851
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	713	713	694	670	652	661	672	691	690	691
Delran Intermediate School (1996)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	745	745	745	745	745	745	745	745	745	745
Enrollment	623	623	600	635	655	663	668	694	689	695
Millbridge Elementary School (1970)										
Square Feet	74,074	74,074	74,074	74,074	74,074	74,074	74,074	85,000	85,000	85,000
Capacity (students)	945	945	945	945	945	945	945	945	945	945
Enrollment	688	688	689	686	728	713	686	634	735	741

Number of Schools at June 30, 2015

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

Source: District Facilities Office

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

Delran Township School District
 Schedule of Required Maintenance
 Last Ten Years

Exhibit J-19

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

* School Facilities	Project #	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Delran School District												
Millbridge School	N/A	\$ 243,292	\$ 230,195	\$ 372,824	\$ 194,640	\$ 229,153	\$ 146,740	\$ 139,392	\$ 225,170	\$ 255,682	\$ 203,415	\$ 2,240,503
Intermediate School	N/A	246,448	240,204	389,033	165,444	194,780	124,729	118,483	191,395	217,330	172,902	2,060,748
Middle School	N/A	232,714	220,187	356,614	233,569	274,984	176,088	167,270	270,204	306,818	244,098	2,482,546
High School	N/A	317,336	310,263	502,501	379,549	446,850	286,142	271,815	439,081	498,580	396,658	3,848,775
Total School Facilities		<u>\$ 1,039,790</u>	<u>\$ 1,000,849</u>	<u>\$ 1,620,972</u>	<u>\$ 973,202</u>	<u>\$ 1,145,767</u>	<u>\$ 733,699</u>	<u>\$ 696,960</u>	<u>\$ 1,125,850</u>	<u>\$ 1,278,410</u>	<u>\$ 1,017,073</u>	<u>\$ 10,632,572</u>

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

Delran Township School District
 Insurance Schedule
 June 30, 2015

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Republic Franklin Ins Co		
Commercial Package:		
Property - Blanket Coverage	\$ 94,695,493	\$ 1,000
Flood	2,015,000	25,000
Earthquake	2,000,000	25,000
General Liability	1,000,000/3,000,000	-
Business Auto	1,000,000/3,000,000	500/1,000
Employee Dishonesty	400,000	250
Crime	100,000	500
Commercial Inland Marine	229,297	250
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	
Worker's Compensation - New Jersey School Board	2,000,000	
Commercial Umbrella Liability - Utica Mutual Insurance	15,000,000	10,000
Student Accident Coverage - New Jersey School Board		
Accident Medical Expense Benefit	6,000,000	
Catastrophe Cash Benefit	1,000,000	
Student Accident Coverage - Berkley Life and Health Ins. Co.		
Interscholastic Sports	250,000	
Surety Bond Coverage's - RLI Insurance Co.		
Treasurer	275,000	
School Business Administrator	300,000	

Source: District records

Single Audit Section

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 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY OMB CIRCULAR A-133
 AND STATE OF NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I 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 Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2015. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey Circular OMB's 04-04 and/or 15-08 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In my opinion, the Delran Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

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

I 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, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I have issued my report thereon dated November 16, 2015, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

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

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant

Marlton, New Jersey
November 16, 2015

DELTRAN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2014			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2015									
					Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at							
U.S. Department of Education																						
<u>General Fund:</u>																						
Medical Assistance Program - ARRA	93.778	N/A	\$ 22,319	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ 22,319	\$ (22,319)	\$ -	\$ -	\$ -	\$ -								
Medical Assistance Program	93.778	N/A	62,038	7/1/14 - 6/30/15					62,038	(62,038)												
Total General Fund					-	-	-	-	84,357	(84,357)	-	-	-	-								
U.S. Department of Education																						
<u>Special Revenue Fund:</u>																						
<u>No Child Left Behind(N.C.L.B.)</u>																						
Title I - Current Year	84.010A	NCLB-1060-15	332,492	7/1/14 - 6/30/15					165,060	(234,275)			(69,215)									
Title I - Prior Year	84.010A	NCLB-1060-14	345,377	7/1/13 - 6/30/14	(78,519)				106,094	(41,271)			(13,696)									
Title I - Prior Year	84.010A	NCLB-1060-13	237,180	9/1/12 - 8/31/13	(12,207)				12,207													
Title IIA Current Year	84.367A	NCLB-1060-15	51,574	7/1/14 - 6/30/15					16,290	(24,437)			(8,147)									
Title IIA Prior Year	84.367A	NCLB-1060-14	50,887	7/1/13 - 6/30/14	(6,644)				8,845	(2,870)			(669)									
Title III - Current Year	84.365A	NCLB-1060-15	28,412	7/1/14 - 6/30/15					12,532	(26,068)			(13,536)									
Title III - Prior Year	84.365A	NCLB-1060-14	16,737	7/1/13 - 6/30/14	(2,616)				2,826	(5,072)			(4,862)									
Title III - Prior Year	84.365A	NCLB-1060-13	22,460	9/1/12 - 8/31/13	(1,556)				1,556				-									
Title III - Current Year - Immigrant	84.365A	NCLB-1060-15	5,850	7/1/14 - 6/30/15					3,934	(5,850)			(1,916)									
Title III - Prior Year - Immigrant	84.365A	NCLB-1060-13	15,507	9/1/12 - 8/31/13	(1,548)				1,548				-									
Title III - Prior Year - Immigrant	84.365A	NCLB-1060-10	7,600	9/1/09 - 8/31/10	(5)				5				-									
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																						
Part B - Basic - Current Year	84.027	IDEA-1060-15	682,290	7/1/14 - 6/30/15					524,775	(668,921)			(144,146)									
Part B - Basic - Prior Year	84.027	IDEA-1060-14	630,782	7/1/13 - 6/30/14	(201,123)				201,123													
Part B - Preschool - Current Year	84.173	IDEA-1060-15	22,452	7/1/14 - 6/30/15					20,920	(21,655)			(735)									
Part B - Preschool - Prior Year	84.173	IDEA-1060-14	21,757	7/1/13 - 6/30/14	(3,641)				3,641													
Race To The Top	84.413A	RTTT-1060-14	17,586	7/1/13 - 6/30/14	(17,523)					(63)			(17,586)									
Total Special Revenue Fund					(325,382)	-	-	-	1,081,356	(1,030,482)	-	-	(274,508)	-								
U.S. Department of Agriculture																						
<u>Enterprise Fund:</u>																						
Food Distribution Program	10.565	N/A	76,706	9/1/14 - 6/30/15					76,706	(76,706)												
National School Lunch Program	10.555	N/A	331,683	9/1/14 - 6/30/15					311,580	(331,683)			(20,103)									
National School Lunch Program	10.555	N/A	317,812	9/1/13 - 6/30/14	(17,852)				17,852				(7,434)									
School Breakfast Program	10.553	N/A	88,676	9/1/13 - 6/30/14					81,242	(88,676)												
School Breakfast Program	10.553	N/A	70,306	9/1/13 - 6/30/14	(5,903)				5,903													
Total Enterprise Fund					(23,755)	-	-	-	493,283	(497,065)	-	-	(27,537)	-								
Total Federal Awards					\$ (349,137)	\$ -	\$ -	\$ -	\$ 1,658,996	\$ (1,611,904)	\$ -	\$ -	\$ (302,045)	\$ -								

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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, 2015

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2014			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2015		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
State Department of Education														
General Fund:														
Extraordinary Aid	15-100-034-5120-473	\$446,621	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (446,621)	\$ -	\$ (446,621)	\$ -	\$ -	
Extraordinary Aid	14-100-034-5120-473	424,851	7/1/13 - 6/30/14	(420,462)				424,851	(4,389)					
Additional Nonpublic Transportation Aid	15-04103190	13,953	7/1/14 - 6/30/15						(13,953)			(13,953)		
Additional Nonpublic Transportation Aid	14-04103190	16,420	7/1/13 - 6/30/14	(16,420)				16,420						
Special Education Categorical Aid	15-495-034-5120-089	1,707,479	7/1/14 - 6/30/15					1,547,002	(1,707,479)			(160,477)		
Special Education Categorical Aid	14-495-034-5120-089	1,707,479	7/1/13 - 6/30/14	(160,824)				160,824						
Equalization Aid	15-495-034-5120-078	9,568,442	7/1/14 - 6/30/15					8,669,156	(9,568,442)			(899,286)		
Equalization Aid	14-495-034-5120-078	9,568,442	7/1/13 - 6/30/14	(901,234)				901,234						
Security Aid	15-495-034-5120-084	74,011	7/1/14 - 6/30/15					67,055	(74,011)			(6,956)		
Security Aid	14-495-034-5120-084	74,011	7/1/13 - 6/30/14	(6,971)				6,971						
Transportation Aid	15-495-034-5120-014	112,213	7/1/14 - 6/30/15					101,567	(112,213)			(10,546)		
Transportation Aid	14-495-034-5120-014	112,213	7/1/13 - 6/30/14	(10,569)				10,569						
Under Adequacy Aid	15-495-034-5120-096	14,105	7/1/14 - 6/30/15					12,780	(14,105)			(1,325)		
Under Adequacy Aid	14-495-034-5120-096	14,105	7/1/13 - 6/30/14	(1,329)				1,329						
Homesless Aid	15-495-034-5120-005	39,599	7/1/14 - 6/30/15					16,647	(39,599)			(22,952)		
PARCC Readiness Aid	15-495-034-5120-098	29,660	7/1/14 - 6/30/15					26,872	(29,660)			(2,788)		
Per Pupil Growth Aid	15-495-034-5120-097	29,660	7/1/14 - 6/30/15					26,872	(29,660)			(2,788)		
On Behalf TPAF - Pension	15-495-034-5094-006	905,434	7/1/14 - 6/30/15					905,434	(905,434)					
On Behalf TPAF - Post Retirement Medical	15-495-034-5094-001	1,437,376	7/1/14 - 6/30/15					1,437,376	(1,437,376)					
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,327,844	7/1/14 - 6/30/15					1,263,824	(1,327,844)			(64,020)		
Reimbursed TPAF Social Security Contributions	14-495-034-5094-003	1,319,795	7/1/13 - 6/30/14	(61,732)				61,732						
Total General Fund				(1,579,541)				15,658,615	(15,710,786)			(1,631,712)		
Special Revenue Fund														
N.J. Nonpublic Aid:														
Textbook Aid	15-100-034-5120-064	38,191	7/1/14 - 6/30/15					38,191	(37,951)				240	
Textbook Aid	14-100-034-5120-064	34,556	7/1/13 - 6/30/14			561				(561)				
Nursing Aid	15-100-034-5120-070	61,178	7/1/14 - 6/30/15					61,178	(61,178)					
Technology Initiative	15-100-034-5120-373	20,512	7/1/14 - 6/30/15					20,512	(20,320)				192	
Technology Initiative	14-100-034-5120-373	12,600	7/1/13 - 6/30/14			790				(790)				
Auxiliary Services:														
Compensatory Education	15-100-034-5120-067	107,496	7/1/14 - 6/30/15					107,496	(69,759)				37,737	
Compensatory Education	14-100-034-5120-067	101,006	7/1/13 - 6/30/14			14,978				(14,978)				
English as a Second Language	15-100-034-5120-067	18,910	7/1/14 - 6/30/15					18,910	(12,972)				5,938	
English as a Second Language	14-100-034-5120-067	19,727	7/1/13 - 6/30/14			696				(696)				
Handicapped Services:														
Examination & Classification	15-100-034-5120-066	54,756	7/1/14 - 6/30/15					54,756	(52,774)				1,982	
Examination & Classification	14-100-034-5120-066	42,525	7/1/13 - 6/30/14			13,373				(13,373)				
Corrective Speech	15-100-034-5120-066	16,787	7/1/14 - 6/30/15					16,787	(8,040)				8,747	
Corrective Speech	14-100-034-5120-066	5,468	7/1/13 - 6/30/14			1,016				(1,016)				
Supplemental Instruction	15-100-034-5120-066	43,159	7/1/14 - 6/30/15					43,159	(36,253)				6,906	
Supplemental Instruction	14-100-034-5120-066	36,774	7/1/13 - 6/30/14			9,569				(9,569)				
Total Special Revenue Fund						40,983		360,989	(299,247)			(40,983)	61,742	

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Continued

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2015

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2014			Caryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2015		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
Debt Service Fund														
Debt Service Aid Type II	15-495-034-5120-017	\$459,190	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,190	\$ (459,190)	\$ -	\$ -	\$ -	\$ -
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	15-100-010-3350-023	11,418	7/1/14 - 6/30/15					10,734	(11,418)			(684)		
State School Lunch Program	14-100-010-3350-023	11,440	7/1/13 - 6/30/14	(629)				629						
Total Enterprise Fund				(629)	-	-	-	11,363	(11,418)	-	-	(684)	-	-
Total State Financial Assistance				<u>\$(1,580,170)</u>	<u>\$ -</u>	<u>\$ 40,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,490,157</u>	<u>\$(16,480,641)</u>	<u>\$ (40,983)</u>	<u>\$(1,632,396)</u>	<u>\$ -</u>	<u>\$ 61,742</u>

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

Delran Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015

1. 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 (\$3,239) 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	\$ 84,357	\$ 15,707,547	\$ 15,791,904
Special Revenue	1,030,482	299,247	1,329,729
Debt Service		459,190	459,190
Food Service	497,065	11,418	508,483
Total	\$ 1,611,904	\$ 16,477,402	\$ 18,089,306

**Delran Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015
(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, 2015. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

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, 2015

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 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>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$494,419

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 04-04 and/or 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>15-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>15-100-010-3350-023</u>	<u>School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit.

No findings identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04 and/or 15-08, as applicable

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, 2015**

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*, USOMB Circular A-133 and NJOMB's Circular 04-04 and/or 15-08, as applicable.

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.