

***DELAWARE TOWNSHIP BOARD OF EDUCATION***

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2016***

***DELAWARE TOWNSHIP***

***BOARD OF EDUCATION***

***Delaware Township Board of Education  
Sergeantsville, New Jersey***

***Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2016***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

***Prepared by***

***Delaware Township Board of Education  
Finance Department***

***And***

***Barre & Company, CPAs***

**STATE BOARD OF EDUCATION**

MARK W. BIEDRON.....Hunterdon  
President

JOSEPH FISICARO.....Burlington  
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**David C. Hespe, Commissioner of Education  
Secretary, State Board of Education**

**DELAWARE TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENT**

	<b>Page</b>
<b>INTRODUCTORY SECTION .....</b>	<b>1</b>
Letter of Transmittal .....	2
Organizational Chart .....	6
Roster of Officials .....	7
Consultants and Advisors .....	8
<b>FINANCIAL SECTION.....</b>	<b>9</b>
Independent Auditor's Report .....	10
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART I .....</b>	<b>13</b>
Management's Discussion and Analysis .....	14
<b>BASIC FINANCIAL STATEMENTS.....</b>	<b>25</b>
<b>SECTION A – DISTRICT-WIDE FINANCIAL STATEMENTS.....</b>	<b>26</b>
A-1 Statement of Net Position .....	27
A-2 Statement of Activities .....	28
<b>SECTION B - FUND FINANCIAL STATEMENTS .....</b>	<b>29</b>
<b>GOVERNMENTAL FUNDS .....</b>	<b>30</b>
B-1 Balance Sheet .....	31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance .....	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	33
<b>PROPRIETARY FUNDS.....</b>	<b>34</b>
B-4 Statement of Net Position .....	35
B-5 Statement of Revenues, Expenses, and Changes in Net Position .....	36
B-6 Statement of Cash Flows.....	37
<b>FIDUCIARY FUNDS .....</b>	<b>38</b>
B-7 Statement of Fiduciary Net Position .....	39
B-8 Statement of Changes in Fiduciary Net Position .....	40
<b>NOTES TO THE FINANCIAL STATEMENTS.....</b>	<b>41</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II.....</b>	<b>75</b>

**DELAWARE TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENT**

	<b>Page</b>
<b>FINANCIAL SECTION (CONTINUED)</b>	
<b>SECTION C – BUDGETARY COMPARISON SCHEDULES .....</b>	<b>76</b>
C-1 Budgetary Comparison Schedule – General Fund .....	77
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	N/A
C-1b Community Development Block Grant – Budget and Actual.....	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund .....	82
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION .....</b>	<b>83</b>
C-3 Budget-To-GAAP Reconciliation .....	84
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III.....</b>	<b>85</b>
<b>SECTION L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68).....</b>	<b>86</b>
L-1 Schedule of the District's Proportionate Share fo the Net Pension Liability - PERS.....	87
L-2 Schedule of District Contributions - PERS .....	88
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF .....	89
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III.....</b>	<b>90</b>
<b>OTHER SUPPLEMENTARY INFORMATION.....</b>	<b>92</b>
<b>SECTION D – SCHOOL BASED BUDGET SCHEDULES .....</b>	<b>N/A</b>
D-1 Combining Balance Sheet.....	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual.....	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual .....	N/A
<b>SECTION E – SPECIAL REVENUE FUND .....</b>	<b>93</b>
E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis .....	94
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis .....	N/A
<b>SECTION F – CAPITAL PROJECTS FUND.....</b>	<b>N/A</b>
F-1 Summary Schedule of Project Expenditures .....	N/A
F-2 Summary Scheudle of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis .....	N/A

**DELAWARE TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENT**

	<b>Page</b>
<b>FINANCIAL SECTION (CONTINUED)</b>	
<b>SECTION G – PROPRIETARY FUNDS.....</b>	<b>95</b>
<b>ENTERPRISE FUND .....</b>	<b>N/A</b>
G-1 Combining Schedule of Net Position .....	N/A
G-2 Combining Schedule of Revenues, Expenses, and Changes in Net Position .....	N/A
G-3 Combining Schedule of Cash Flows .....	N/A
<b>INTERNAL SERVICE FUND .....</b>	<b>N/A</b>
G-4 Combining Schedule of Net Position .....	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Net Position .....	N/A
G-6 Combining Schedule of Cash Flows .....	N/A
<b>SECTION H – FIDUCIARY FUNDS.....</b>	<b>96</b>
H-1 Combining Statement of Fiduciary Net Position .....	97
H-2 Combining Statement of Changes in Fiduciary Net Position .....	98
H-3 Student Activity Agency Fund – Schedule of Receipts and Disbursements.....	99
H-4 Payroll Agency Fund – Schedule of Receipts and Disbursements .....	100
<b>SECTION I – LONG-TERM DEBT SCHEDULES .....</b>	<b>101</b>
I-1 Schedule of Serial Bonds.....	102
I-2 Schedule of Obligations under Capital Leases.....	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule .....	103
<b>STATISTICAL SECTION (UNAUDITED).....</b>	<b>104</b>
<b>INTRODUCTION TO THE STATISTICAL SECTION.....</b>	<b>105</b>
<b>FINANCIAL TRENDS .....</b>	<b>106</b>
J-1 Net Assets/Position by Component.....	107
J-2 Changes in Net Assets/Position .....	108
J-3 Fund Balances – Governmental Funds.....	110
J-4 Changes in Fund Balances - Governmental Funds .....	111
J-5 General Fund Other Local Revenue by Source.....	113
<b>REVENUE CAPACITY .....</b>	<b>114</b>
J-6 Assessed Value and Estimated Actual Value of Taxable Property .....	115
J-7 Direct and Overlapping Property Tax Rates .....	116
J-8 Principal Property Taxpayers*.....	117
J-9 Property Tax Levies and Collections .....	118

**DELAWARE TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENT**

	<b>Page</b>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
<b>DEBT CAPACITY .....</b>	<b>119</b>
J-10 Ratios of Outstanding Debt by Type .....	120
J-11 Ratios of General Bonded Debt Outstanding .....	121
J-12 Direct and Overlapping Governmental Activities Debt.....	122
J-13 Legal Debt Margin Information .....	123
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION.....</b>	<b>124</b>
J-14 Demographic and Economic Statistics .....	125
J-15 Principal Employers .....	126
<b>OPERATING INFORMATION.....</b>	<b>127</b>
J-16 Full-time Equivalent District Employees by Function/Program .....	128
J-17 Operating Statistics.....	129
J-18 School Building Information .....	130
J-19 Schedule of Required Maintenance Expenditures by School Facility .....	131
J-20 Insurance Schedule .....	132
*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.	
<b>SINGLE AUDIT SECTION .....</b>	<b>133</b>
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .....	134
K-2 Individual Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control over Compliance In Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04 .....	136
K-3 Schedule of Expenditures of Federal Awards, Schedule A.....	139
K-4 Schedule of Expenditures Of State Financial Assistance, Schedule B .....	140
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance.....	141
K-6 Schedule of Findings and Questioned Costs .....	144
K-7 Summary Schedule of Prior Audit Findings and Questioned costs as Prepared by Management .....	146



***INTRODUCTORY SECTION***

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
501 ROSEMONT-RINGOES ROAD, P.O. BOX 1000  
SERGEANTSVILLE, NEW JERSEY 08557  
609-397-3179**

December 5, 2016

Honorable President and  
Members of the School District  
Delaware Township Board of Education  
County of Hunterdon  
Sergeantsville, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Delaware Township Board of Education (District) for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (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 basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section — The District is required to undergo an annual single audit in conformity with the provisions of the Governing Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

## School District Organization

An elected nine-member Board of Education (the “Board”) serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

**1) REPORTING ENTITY AND ITS SERVICES:** The Delaware Township Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Delaware Township Board of Education and all of its schools constitute the District’s reporting entity.

The District provided a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2015-2016 school year with an enrollment of 404 students. The following details the changes in the student enrollment of the District over the last five years.

### Average Daily Enrollment (ADE)

<u>Fiscal Year</u>	<u>Actual Student Enrollment</u>	<u>Percent Change (ADE)</u>
2015-2016	404	-2.71%
2014-2015	411	0.73%
2013-2014	408	-5.88%
2012-2013	432	-10.88%
2011-2012	479	4.38%

**2) 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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived;
- (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also 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 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.

**3) 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

**4) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in, "Notes to Basic Financial Statements", Note 3. 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.

**5) 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. A schedule of insurance coverage is found in J-20.

**6) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial

**OTHER INFORMATION: (CONTINUED)**

statements and specific required supplemental information is included in the financial section of this report. The auditors' reports, related specifically to the single audit, are included in the single audit section of this report.

Our responsibility is to express an opinion on compliance for each of the Charter School's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements.

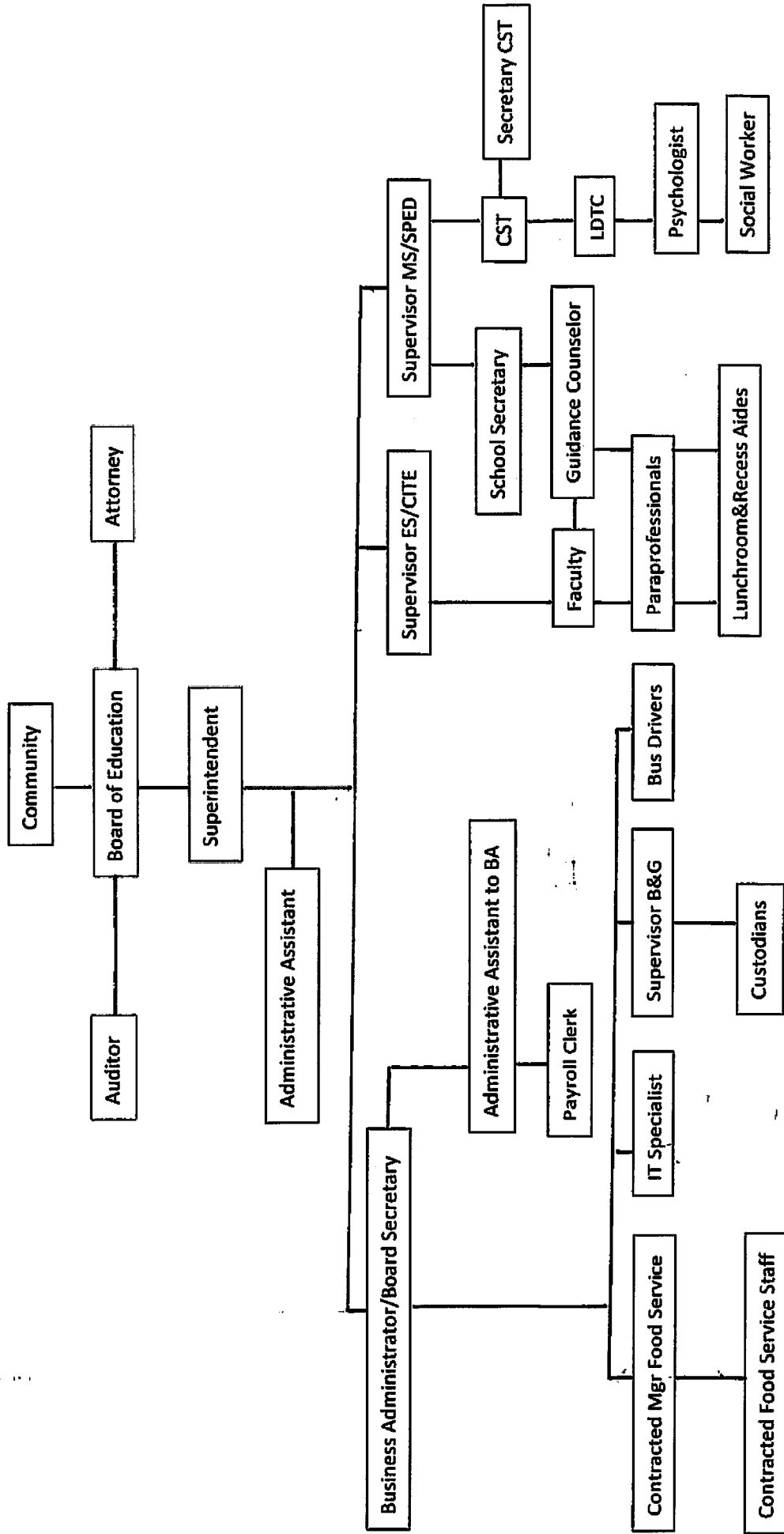
7) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Delaware Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ray Krov', with a horizontal line extending to the right.

Ray Krov  
Interim Business Administrator

Delaware Township Board of Education Organizational Chart



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2016**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Mrs. Linda Ubry, President	2016
Mr. Thomas Bruhl, Vice President	2018
Mrs. Joann Brown	2017
Mrs. Kristen Devlin	2017
Mrs. Stephanie Dunn	2018
Mrs. Margaret Esserman	2016
Mr. Tate Hoffman	2017
Mrs. Kathy Roethel	2018
Mrs. Lisa Thompson	2016

**OTHER OFFICIALS**

Dr. Richard Wiener, Superintendent

Mrs. Kathy Racile, Elementary and Child Study Team Supervisor

Mrs. Patricia Prillon, Curriculum and Middle School Supervisor

Ms. Patricia Martucci, Business Administrator/Board Secretary

Mr. Ray Krov, Interim Business Administrator/Board Secretary

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

Barre & Company  
Certified Public Accountants  
2204 Morris Avenue  
Union, New Jersey 07083

***Attorney***

Comegno Law Group  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

Schwartz, Simon, Edelstein, Celso & Zitomer, LLC  
44 Whippany Road, Suite 210  
P.O. Box 2155  
Morristown, NJ 07962

***Architect***

SSP Architectural Group  
1011 Route 22, Suite 203  
Bridgewater, NJ 08807

***Official Depository***

PNC Bank  
P.O. Box 6000  
Bridgewater, NJ 08807-0010



***FINANCIAL SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*(908) 686-3484*  
*FAX (908) 686-6055*

**Independent Auditor's Report**

Honorable President and  
Members of the School District  
Delaware Township Board of Education  
County of Hunterdon  
Sergeantsville, New Jersey

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Township Board of Education (School District), in the County of Hunterdon, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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***

The School District's 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***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Township Board of Education, in the County of Hunterdon, State of New Jersey, as of June 30, 2016, and the respective changes in the 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.

### ***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 starting on pages 14 and 76, respectively, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and schedules of expenditures of federal awards and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 use 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 our opinion, the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards* and the *Division of Finance, Department of Education, State of New Jersey***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of the Delaware Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Division of Finance, Department of Education, State of New Jersey*, in considering the School District's internal control over financial reporting and compliance.



BARRE & COMPANY  
Certified Public Accountants  
Public School Accountants



Richard M. Barre, CPA  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 5, 2016

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED**

The discussion and analysis of Delaware Township Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for 2016 are as follows:

- ❖ General revenues accounted for \$9,916,583 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$586,799 or 6% of total revenues of \$10,503,382.
- ❖ The School District had \$10,158,806 in expenses; only \$586,799 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$9,916,583 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$9,578,553 in revenues and \$9,474,466 in expenditures and other financing sources. The General Fund's fund balance increased \$104,087 over 2015. This increase was anticipated by the Board of Education.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Delaware Township Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Delaware Township Board of Education, the General Fund is by far the most significant fund.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2016?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** — All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-Type Activities** — These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service Fund is reported as business activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Governmental Funds (Continued)**

information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds are reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 41 of this report.

**The School District as a Whole**

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**The School District as a Whole (Continued)**

Table 1 provides a summary of the School District's net position for 2016 and 2015.

**Table 1  
Net Assets**

	2016	2015
<b>Assets</b>		
Current and Other Assets	\$ 2,364,911	\$ 2,223,612
Capital Assets	<u>9,019,098</u>	<u>9,153,088</u>
<b>Total Assets</b>	<u>11,384,009</u>	<u>11,376,700</u>
Deferred Outflow of Resources: Pensions	<u>352,826</u>	<u>71,254</u>
<b>Liabilities</b>		
Account and Other Payables	136,516	78,671
Other Current Liabilities	50,635	54,593
Long-Term Liabilities	2,545,368	2,981,325
Net Pension Liability	<u>2,669,455</u>	<u>2,265,958</u>
<b>Total Liabilities</b>	<u>5,401,974</u>	<u>5,380,547</u>
Deferred Inflow of Resources: Pensions	<u>114,537</u>	<u>181,577</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	6,148,583	5,492,753
Restricted	2,072,080	2,663,077
Unrestricted	(2,000,339)	(2,270,000)
<b>Total Net Assets</b>	<u>\$ 6,220,324</u>	<u>\$ 5,885,830</u>

The District's combined net position were \$6,220,324 on June 30, 2016, and \$5,885,830 for 2015.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**The School District as a Whole (Continued)**

Table 2 shows changes in net position for fiscal years ended 2016 and 2015.

**Table 2  
Changes in Net Assets**

	2016	2015
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 135,704	\$ 126,449
Operating Grants and Contributions	451,095	450,063
General Revenues:		
Property Taxes	7,855,988	7,505,575
Grants and Entitlements	1,874,340	1,729,346
Other	<u>186,255</u>	<u>5,778</u>
Total Revenues	<u>10,503,382</u>	<u>9,817,211</u>
<b>Program Expenses</b>		
Instruction	5,877,546	5,526,890
Support Services:		
Tuition	193,850	150,925
Student and Instruction Related	1,503,586	1,749,006
General and Business Administrative	650,734	756,787
School Administrative	62,135	-
Plant Operations and Maintenance	950,577	914,316
Pupil Transportation	410,373	435,242
Capital Outlay	214,237	(57,232)
Interest on Long-Term Debt	113,329	121,617
Unallocated Depreciation	26,549	26,549
Food Service	<u>101,005</u>	<u>113,979</u>
Total Program Expenses	<u>10,103,921</u>	<u>9,738,079</u>
<b>Changes in Net Assets</b>	<u>\$ 399,461</u>	<u>\$ 79,132</u>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations in excess of a 2% tax levy CAP, excluding CAP exceptions. Property taxes made up \$7,855,988 for 2016 and \$7,505,575 for 2015 of revenues for governmental activities for the Delaware Township Board of Education. The District's total revenues were \$10,258,536 for the year ended June 30, 2016, and \$9,723,299 for 2015. Federal, state, and local grants accounted for another 23% for 2016 and 23% for 2015 of revenues which includes \$917,783 for 2016 and \$795,286 for 2015 of state reimbursed TPAF pension and TPAF social security contributions.

The total cost of all program and services was \$10,057,801 for 2016 and \$9,732,765 for 2015. Instruction comprises 58% for 2016 and 57% for 2015 of District's expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by 10,303 for 2016, whereas expenses exceeded revenues by \$20,141 for 2015.
- ❖ Charges for services represent \$72,704 for 2016 and \$76,649 for 2015 of revenues. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, and food distribution program were \$18,207 for 2016 and \$17,189 for 2015.

**Governmental Activities**

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

**Table 3**

	<b>Total Cost of Services</b>	
	<b>2016</b>	<b>2015</b>
Instruction	\$ 5,877,546	\$ 5,526,890
Support Services:		
Tuition	193,850	150,925
Student and Instruction Related	1,503,586	1,749,006
General and Business Administrative	650,734	756,787
School Administrative	62,135	-
Plant Operations and Maintenance	950,577	914,316
Pupil Transportation	410,373	435,242
Capital Outlay	214,237	(57,232)
Interest on Long-Term Debt	113,329	121,617
Unallocated Depreciation	26,549	26,549
<b>Total Expenses</b>	<b>\$ 10,002,916</b>	<b>\$ 9,624,100</b>

	<b>Net Cost of Services</b>	
	<b>2016</b>	<b>2015</b>
Instruction	\$ 5,549,437	\$ 5,211,989
Support Services:		
Tuition	193,850	150,925
Student and Instruction Related	1,503,586	1,749,006
General and Business Administrative	650,734	756,787
School Administrative	62,135	-
Plant Operations and Maintenance	950,577	914,316
Pupil Transportation	242,594	267,469
Capital Outlay	214,237	(57,232)
Interest on Long-Term Debt	113,329	121,617
Unallocated Depreciation	26,549	26,549
<b>Total Expenses</b>	<b>\$ 9,507,028</b>	<b>\$ 9,141,426</b>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**Governmental Activities (Continued)**

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition and Students and Instruction Related expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General and Business Administration and School Administration expenses include expenses associated with administrative and financial supervision of the District.

Plant Operations and Maintenance expenses involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil Transportation expenses includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on Long-Term Debt expenses involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Other expenses include Capital Outlay and Unallocated Depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$10,258,536 for 2016 and \$9,801,970 for 2015 and expenditures were \$10,157,499 for 2016 and \$10,367,018 for 2015. The net change in fund balance for the year was an increase of \$101,037 for 2016 and a decrease of \$565,048 for 2015.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**The School District's Funds (Continued)**

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2015	Percent of Increase/ (Decrease)
Local Sources	\$ 7,951,308	77.51%	\$ 311,558	4.08%
State Sources	2,155,633	21.01%	147,436	7.34%
Federal Sources	151,595	1.48%	(2,428)	-1.58%
<b>Total</b>	<b>\$ 10,258,536</b>	<b>100.00%</b>	<b>\$ 456,566</b>	

Local revenues decreased by \$311,558.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2016, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2015	Percent of Increase/ (Decrease)
<b>Current Expense:</b>				
Instruction	\$ 3,800,613	37.42%	\$ 173,701	4.79%
Undistributed	5,442,538	53.58%	(53,227)	-0.97%
Capital Outlay	387,061	3.81%	(536,705)	-58.10%
Debt Service	527,287	5.19%	206,712	64.48%
<b>Total</b>	<b>\$ 10,157,499</b>	<b>100.00%</b>	<b>\$ (209,519)</b>	

Changes in expenditures were the results of varying factors. Current expense increased due to salary increases, and increased health benefits and utility costs.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget in accordance with state regulations. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**Capital Assets**

The School District had \$9,018,461 at June 30, 2016 and \$9,144,034 for 2015 invested in land, building, furniture and equipment, and vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2016 and 2015.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	2016	2015
Land	\$ 20,000	\$ 20,000
Land Improvements	388,574	170,911
Buildings and Buildings Improvements	8,423,410	8,815,982
Machinery and Equipment	186,477	137,141
<b>Total</b>	<b>\$ 9,018,461</b>	<b>\$ 9,144,034</b>

For more detailed information, please refer to the Notes to the Basic Financial Statements.

**Debt Administration**

At June 30, 2016, the School District had \$2,545,368 of outstanding debt. Of this amount, \$105,368 is for compensated absences and \$2,440,000 is for serial bonds for school construction.

**Table 5  
Outstanding Debt at June 30,**

	2016	2015
1993 General Obligation Bonds	\$ -	\$ -
1993 General Obligation Bonds	-	-
2005 General Obligation Bonds	2,440,000	2,850,000
<b>Total</b>	<b>\$ 2,440,000</b>	<b>\$ 2,850,000</b>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SERGEANTSVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED  
(CONTINUED)**

**For the Future**

The Delaware Township Board of Education is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment decrease of the District. Delaware Township Board of Education's budget for 2016-2017 was approved as presented.

In conclusion, the Delaware Township Board of Education 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.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator at Delaware Township Board of Education, Administration Building, 501 Rosemont-Ringoes Road, P.O. Box 1000, Sergeantsville, New Jersey 08557. Please visit our website at <http://www.dtsk8.org>.



***BASIC FINANCIAL STATEMENTS***

## **SECTION A – DISTRICT-WIDE FINANCIAL STATEMENTS**

***The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 265,990	\$ 20,153	\$ 286,143
Investments	1,936,326		1,936,326
Interfund Receivables	12,012		12,012
Other Receivables	95,305	910	96,215
Deferred Bond Issuance Costs, Net	34,215		34,215
Capital Assets, Net	9,018,461	637	9,019,098
<b>Total Assets</b>	<b>11,362,309</b>	<b>21,700</b>	<b>11,384,009</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	352,826		352,826
<b>Total Deferred Outflows of Resources</b>	<b>352,826</b>		<b>352,826</b>
<b>LIABILITIES:</b>			
Interfund Payable	12,012		12,012
Accounts Payable	124,504		124,504
Accrued Interest	50,635		50,635
Due Within One Year	410,000		410,000
Due Beyond One Year	2,135,368		2,135,368
Net Pension Liability	2,669,455		2,669,455
<b>Total Liabilities</b>	<b>5,401,974</b>	-	<b>5,401,974</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pensions	114,537		114,537
<b>Total Deferred Inflows of Resources</b>	<b>114,537</b>		<b>114,537</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	6,147,946	637	6,148,583
Restricted for:			
Capital Projects Fund	20,644		20,644
Other Purposes	2,051,436		2,051,436
Unrestricted	(2,021,402)	21,063	(2,000,339)
<b>Total Net Assets</b>	<b>\$ 6,198,624</b>	<b>\$ 21,700</b>	<b>\$ 6,220,324</b>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Instruction:							
Regular	\$ 2,883,332	\$ 1,226,039	\$ 63,000	\$ -	\$ -	\$ (4,046,371)	\$ (4,046,371)
Special Education	907,768	462,085		265,109		(1,104,744)	(1,104,744)
Other Special Education	174,488	86,794				(261,282)	(261,282)
Other Instruction	96,169	40,871				(137,040)	(137,040)
Tuition	193,850					(193,850)	(193,850)
Student and Instruction Related Services	1,123,477	380,109				(1,503,586)	(1,503,586)
General and Business Administrative Services	526,145	179,474				(705,619)	(705,619)
School Administrative Services	41,100	21,035				(62,135)	(62,135)
Plant Operations and Maintenance	828,069	122,508				(950,577)	(950,577)
Pupil Transportation	397,360	13,013		167,779		(242,594)	(242,594)
Capital Outlay	214,237					(214,237)	(214,237)
Special Schools							
Interest on Long-Term Debt	113,329					(113,329)	(113,329)
Unallocated Depreciation	26,549					(26,549)	(26,549)
<b>Total Governmental Activities</b>	<b>7,525,873</b>	<b>2,531,928</b>	<b>63,000</b>	<b>432,888</b>	<b>-</b>	<b>(9,561,913)</b>	<b>(9,561,913)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Food Service	101,005			18,207		(10,094)	(10,094)
Total Business-Type Activities	101,005			18,207		(10,094)	(10,094)
Total Primary Government	<u>\$ 7,626,878</u>		<u>\$ 135,704</u>	<u>\$ 451,095</u>	<u>\$ -</u>	<u>\$ (9,561,913)</u>	<u>\$ (9,572,007)</u>
<b>GENERAL REVENUES:</b>							
Property Taxes Levied For:							
General Purposes						\$ 7,328,700	\$ 7,328,700
Debt Service						527,288	527,288
Federal and State Aid Not Restricted						1,874,340	1,874,340
Investment Earnings						2,049	2,049
Miscellaneous Income						30,271	30,286
Transfers						154,144	153,920
Total General Revenues						<u>9,916,792</u>	<u>9,916,583</u>
Change in Net Position						354,879	344,576
Net Position - Beginning of Year						5,843,745	5,875,748
Net Position - Ending						<u>6,198,624</u>	<u>6,220,324</u>

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

**SECTION B - FUND FINANCIAL STATEMENTS**

*The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.*

***GOVERNMENTAL FUNDS***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 248,396	\$ -	\$ 17,593	\$ 265,990
Capital Reserve Account	1,550,837			1,550,837
Maintenance Reserve	212,983			212,983
Emergency Reserve	172,506			172,506
Interfund Receivables	12,012			12,012
Receivables From Other Governments	83,293	12,012		95,305
<b>Total Assets</b>	<b>\$ 2,280,027</b>	<b>\$ 12,012</b>	<b>\$ 17,593</b>	<b>\$ 2,309,633</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Interfund Payables	\$ -	\$ 12,012	\$ -	\$ 12,012
Accounts Payable	124,504	-		\$ 136,516
<b>Total Current Liabilities</b>	<b>124,504</b>	<b>12,012</b>	<b>-</b>	<b>148,528</b>
<b>Total Liabilities</b>	<b>124,504</b>	<b>12,012</b>	<b>-</b>	<b>148,528</b>
<b>Fund Balances:</b>				
<b>Assigned To:</b>				
Encumbrances	17,295			17,295
Legally Restricted - Designated for Subsequent Year's Expenditures				-
Capital Reserve Account	1,550,837			1,550,837
Maintenance Reserve	212,983			212,983
Emergency Reserve	172,506			172,506
<b>Unreserved:</b>				
General Fund	201,902			201,902
Capital Projects Fund			17,593	17,593
<b>Total Fund Balances</b>	<b>2,155,523</b>	<b>-</b>	<b>17,593</b>	<b>2,173,117</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,280,027</b>	<b>\$ 12,012</b>	<b>\$ 17,593</b>	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net position. The bond issuance costs are \$162,980 and the accumulated amortization is \$128,765.	34,215
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$16,148,723 and the accumulated depreciation is \$7,130,262.	9,018,461
Some liabilities are not due and payable in the current year and therefore are not reported in the funds. Those liabilities consist of accrued interest on bond.	(50,635)
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.	(2,545,368)
Net pension liability of \$2,669,455, deferred inflows of resources of \$114,537 less deferred outflows of resources of \$352,826 related to pensions are not reported in the governmental funds	<u>(2,431,166)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 6,198,624</u></b>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 7,328,700	\$ -	\$ -	\$ 527,288	\$ 7,855,988
Tuition	63,000				63,000
Interest on Investments	2,049				2,049
Miscellaneous	29,171	1,100			30,271
<b>Total Local Sources</b>	<b>7,422,920</b>	<b>1,100</b>	<b>-</b>	<b>527,288</b>	<b>7,951,308</b>
State Sources	2,155,633				2,155,633
Federal Sources		151,595			151,595
<b>Total Revenues</b>	<b>9,578,553</b>	<b>152,695</b>	<b>-</b>	<b>527,288</b>	<b>10,258,536</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction:					
Regular	2,548,359	73,829			2,622,188
Special Education	907,768				907,768
Other Special Education	174,488				174,488
Other	96,169				96,169
Support Services and Undistributed Costs:					
Tuition	193,850				193,850
Student and Instruction Related Services	1,044,011	78,866			1,122,877
General and Business Administrative Services	491,603				491,603
School Administrative Services	41,100				41,100
Plant Operations and Maintenance	663,821				663,821
Pupil Transportation	397,360				397,360
Employee Benefits	2,531,927				2,531,927
Capital Outlay	151,195		235,866		387,061
Debt Service:					
Issuance Costs					
Interest				117,287	117,287
Principal				410,000	410,000
<b>Total Expenditures</b>	<b>9,241,651</b>	<b>152,695</b>	<b>235,866</b>	<b>527,287</b>	<b>10,157,499</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	336,902	-	(235,866)	1	101,037
<b>OTHER FINANCING SOURCES (USES):</b>					
Interfund Transfers:					
Transfers In/(Out)	(154,144)		232,815		78,671
<b>Total Other Financing Sources (Uses)</b>	<b>(232,815)</b>	<b>-</b>	<b>232,815</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>104,087</b>	<b>-</b>	<b>(3,051)</b>	<b>1</b>	<b>101,037</b>
<b>FUND BALANCES, JULY 1</b>	<b>2,051,436</b>	<b>-</b>	<b>20,644</b>	<b>-</b>	<b>2,072,080</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 2,155,523</b>	<b>\$ -</b>	<b>\$ 17,593</b>	<b>\$ 1</b>	<b>\$ 2,173,117</b>

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



DELAWARE TOWNSHIP BOARD OF EDUCATION  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total net change in fund balances - governmental funds (B-2)	\$	101,037
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.</p>		
Depreciation Expense	\$ (452,541)	
Capital Outlay	<u>326,968</u>	(125,573)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		410,000
<p>Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		(5,615)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations &amp; sick pay) 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.</p>		
		25,957
<p>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 net is a deduction in the reconciliation.</p>		
		3,958
<p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>		
		<u>(54,885)</u>
Change in net position of governmental activities	\$	<u>354,879</u>

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

***PROPRIETARY FUNDS***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016

<b>Business- type Activities - Enterprise Funds</b>	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 20,153
Receivables from Other Governments	910
Other Receivables	
	<hr/>
Total Current Assets	<u>21,063</u>
Noncurrent Assets:	
Machinery and Equipment	123,447
Less: Accumulated Depreciation	<u>(122,810)</u>
Total Noncurrent Assets	<u>637</u>
Total Assets	<u><u>\$ 21,700</u></u>
<b>LIABILITIES AND NET POSITION:</b>	
Net Position:	
Net Investment in Capital Assets	\$ 637
Unrestricted	<u>21,063</u>
Total Net Position	<u>21,700</u>
Total Liabilities and Net Position	<u><u>\$ 21,700</u></u>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<b>Business-Type Activities - Enterprise Funds</b>	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Non-reimbursable Program	\$ 72,704
Miscellaneous	15
	<hr/>
Total Operating Revenues	72,719
	<hr/>
OPERATING EXPENSES:	
Salaries	25,697
Management Fees	7,942
Support Services - Employee Benefits	6,603
Purchased Property Services	7,736
Supplies and Materials	4,643
Depreciation Expense	8,417
Cost of Sales	38,448
Miscellaneous Expenditures	1,519
	<hr/>
Total Operating Expenses	101,005
	<hr/>
OPERATING LOSS	(28,286)
	<hr/>
NONOPERATING REVENUES:	
State Sources:	
State Lunch Program	934
Federal Sources:	
Federal Lunch Program	17,273
	<hr/>
Total Nonoperating Revenues	18,207
	<hr/>
Change in Net Assets Before Other Financing Uses	(10,079)
	<hr/>
OTHER FINANCING USES:	
Transfers In	(224)
	<hr/>
Total Other Financing Uses	(224)
	<hr/>
CHANGE IN NET POSITION	(10,303)
	<hr/>
TOTAL NET POSITION - JULY 1	32,003
	<hr/>
TOTAL NET POSITION - JUNE 30	<u>\$ 21,700</u>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Business-Type Activities - Enterprise Funds**

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	73,121
Cash Payments to Suppliers and Employees	<u>(92,588)</u>
Net Cash Used In Operating Activities	<u>(19,467)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	18,207
Operating Transfers In - General Fund	<u>(224)</u>
Net Cash Provided By Noncapital Financing Activities	<u>17,983</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,484)
CASH AND CASH EQUIVALENTS, JULY 1	<u>21,637</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 20,153</u></u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss	(28,286)
Depreciation	8,417
Change In Assets And Liabilities:	
Increase In Receivables From Other Governments	<u>402</u>
Net Cash Provided Used In Operating Activities	<u><u>\$ (19,467)</u></u>

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

***FIDUCIARY FUNDS***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account</u>	<u>Agency Fund</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	<u>\$ 84,278</u>	<u>\$ 3,827</u>	<u>\$ 19,055</u>
<b>Total Assets</b>	<u>84,567</u>	<u>3,827</u>	<u>\$ 19,055</u>
<b>LIABILITIES:</b>			
Interfund Accounts Payable			
Accounts Payable			
Accrued Salaries and Benefits			
Payroll Deductions and Withholdings			\$ 347
Due to Student Groups			<u>18,708</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>\$ 19,055</u>
<b>NET POSITION:</b>			
Reserved for Unemployment Claims	84,567		
Reserved for Flexible Spending		<u>3,827</u>	
<b>Total Net Position</b>	<u>\$ 84,567</u>	<u>\$ 3,827</u>	

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY NET POSITION  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Insurance</u>	<u>Flexible Spending Account</u>
ADDITIONS:		
Contributions	\$ 32,930	\$ 19,090
Total Additions	<u>32,930</u>	<u>19,090</u>
DEDUCTIONS:		
Payment of Claims	-	
Funding Payments		21,390
Miscellaneous Expenses		476
Total Deductions	<u>-</u>	<u>21,866</u>
CHANGE IN NET POSITION	32,930	(2,776)
NET POSITION - BEGINNING OF THE YEAR	<u>51,637</u>	<u>6,603</u>
NET POSITION - END OF THE YEAR	<u>\$ 84,567</u>	<u>\$ 3,827</u>

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



***NOTES TO THE FINANCIAL STATEMENTS***

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Delaware Township Board of Education have been prepared in conformity with generally accepted accounting principles (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 Board's accounting policies are described below.

**A. Reporting Entity:**

The Board is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the District functions independently through a Board of Education. The board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District the purpose of the District is to educate students in grades K-8. The Delaware Township Board of Education had an approximate enrollment at June 30, 2016 of 404.

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

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

Based on the aforementioned criteria, the District has no component units.

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-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.

**Basis of Presentation**

*District-Wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting: (Continued)**

business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — *governmental, proprietary, and fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund – The General Fund is the general operating fund of the District. It 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 equipment which are classified in the Capital Outlay sub fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly financial capital outlays for long-lived improvements as long as the resources in such cases are

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

derived exclusively from unrestricted revenues. Resources to budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that 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 the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following proprietary funds:

Enterprise Funds – The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the 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.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for the assets held by the District on behalf of others and include the Student Activities, Payroll Agency, Unemployment Compensation Trust Fund and Flexible Spending Account.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. 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 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 District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County Office for approval. Budgets are prepared using the modified accrual basis of accounting except for the special revenue fund as described later. 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. 6:20-2A.2(m)1.

All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting:

	2016
Total Revenues & Expenditures (Budgetary Basis)	\$ 152,695
Adjustments:	
Less Encumbrances at June 30, 2016	-
Plus Encumbrances at June 30, 2015	-
Total Revenues and Expenditures (GAAP Basis)	\$ 152,695

**D. Encumbrances Accounting**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**E. Assets, Liabilities, and Equity**

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Compensated Absences:

The 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".



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

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.

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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 District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. 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 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. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Equity (Continued)**

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. PENSIONS**

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

**G. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES**

Adopted Accounting Pronouncements:

For the year ended June 30, 2016, the School District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the School District is required to measure certain investments at fair value for financial reporting purposes. In addition, the School District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the School District's financial statements.

The School District implemented GASB Statement No. 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*. Implementation of this Statement did not impact the School District's financial statements.

The School District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the School District's financial statements.

**Recently Issued and Adopted Accounting Pronouncements**

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

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES (CONTINUED)**

(other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES (CONTINUED)**

Management does not expect this Statement to impact the School District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the School District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 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 will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School's financial statements.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan .

Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

	General Fund	Capital Projects	Proprietary Fund	Fiduciary Funds	Total
Operating Account	\$ 2,184,722	\$ 17,593	\$ 20,153	\$ 107,160	\$ 2,329,629

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The carrying amount of the Board's cash and cash equivalents at June 30, 2016 was \$2,429,644 and the book balance was \$2,329,629. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Risk Category**

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2016, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 95,245	\$ 95,291
Federal Aid	-	864
Other	60	60
Gross Receivables	95,305	96,215
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 95,305</u>	<u>\$ 96,215</u>



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 4: INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be transferred to General Fund; (2) repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2016:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 12,012	\$ -
Special Revenue Fund		12,012
Total	\$ 12,012	\$ 12,012

**NOTE 5: DEFERRED BOND ISSUANCE COSTS**

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (15 to 20 years). The costs associated with the issues of the various bonds amounted to \$162,980. The amortization expense for the fiscal year ended June 30, 2016 amounted to \$5,615.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Total Capital Assets Not Being Depreciated	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	364,059	235,866	-	599,925
Building and Building Improvements	14,950,998	-	-	14,950,998
Machinery and Equipment	558,298	91,102	71,600	577,800
Totals at Historical Cost	<u>15,873,355</u>	<u>326,968</u>	<u>71,600</u>	<u>16,128,723</u>
Less Accumulated Depreciation For:				
Land Improvements	193,148	18,203	-	211,351
Building and Building Improvements	6,135,016	392,572	-	6,527,588
Machinery and Equipment	421,157	41,766	71,600	391,323
Total Accumulated Depreciation	<u>6,749,321</u>	<u>452,541</u>	<u>71,600</u>	<u>7,130,262</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>9,124,034</u>	<u>(125,573)</u>	<u>-</u>	<u>8,998,461</u>
Government Activity Capital Assets, Net	<u>\$ 9,144,034</u>	<u>\$ (125,573)</u>	<u>\$ -</u>	<u>\$ 9,018,461</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 126,247	\$ -	\$ 2,800	\$ 123,447
Less Accumulated Depreciation	(117,193)	(8,417)	(2,800)	(122,810)
Enterprise Fund Capital Assets, Net	<u>\$ 9,054</u>	<u>\$ (8,417)</u>	<u>\$ -</u>	<u>\$ 637</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization.

That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instructional	\$ 261,144
Student and Instruction Related Services	600
Plant Operations and Maintenance	164,248
Unallocated	26,549
Total	<u>\$ 452,541</u>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7: LONG-TERM OBLIGATION**

**A. Long-Term Obligation Activity**

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Balance			Balance	Amounts
	July 1, 2015	Increase	Decrease	June 30, 2016	Due Within
					One Year
Bonds Payable	\$ 2,850,000	\$ -	\$ 410,000	\$ 2,440,000	\$ 410,000
Compensated Absences Payable	131,325	10,323	36,280	105,368	-
Total	<u>\$ 2,981,325</u>	<u>\$ 10,323</u>	<u>\$ 446,280</u>	<u>\$ 2,545,368</u>	<u>\$ 410,000</u>

Compensated absences, capital leases, and retirement contracts payable have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceed legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal yearend) on the District-wide financial statements.

For the fiscal year ended June 30, 2016, it is not necessary for the Board to establish a liability for arbitrage rebate.

**B. Debt Service Requirements**

Bonds 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 general obligation bonds.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7: LONG-TERM OBLIGATION (CONTINUED)**

Bonds payable at June 30, 2016 are comprised of the following issues:

	Government Activities			
	Issue Dates	Interest Rates	Date of Maturity	Balance June 30, 2016
Bonds Payable	7/1/05	3.50%	1/15/21	2,440,000
<b>Total Bonds</b>				<b>\$ 2,440,000</b>

On July 15, 2005, the Board of Education issued \$3,750,000 Refunding School Bonds, Series 2005 bearing interest from 3.5% to 4.25% due 2021. The proceeds of the bonds will be used to advance refund the \$3,597,000 outstanding 2001 school bonds dated July 1, 2001 in the original principal amount of \$4,049,000.

\$3,750,000, 2005 Bonds, due in  
variable annual installments  
through January 15, 2021,  
interest rate 3.50%

\$ 2,440,000

**NOTE 7: LONG-TERM OBLIGATION (CONTINUED)**

Principal and interest due on this bond is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	435,000	106,872	541,872
2018	470,000	87,819	557,819
2019	490,000	67,233	557,233
2020	510,000	45,771	555,771
2021	535,000	23,433	558,433
	<b>\$ 2,440,000</b>	<b>\$ 331,128</b>	<b>\$ 2,771,128</b>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS**

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

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

**Plan Description**

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Benefits Provided**

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. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 15A and required contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$ 102,237 for fiscal year 2016.

**Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the School District reported a liability of \$ 2,669,455 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the School District's proportion was 0.0118917318% , which was a decrease of 0.0021098% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$202,697. At June 30, 2015, the School District reported deferred outflows of resources and deferred related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 286,678	\$ -
Changes in Proportion	-	70,964
Net Difference Between Projected and Actual		
Investment Earnings on Pension Plan Investments	63,684	42,920
	\$ 350,362	\$ 113,884

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	\$ 55,970
2016	55,970
2017	55,970
2018	55,970
2019	89,141
Thereafter	36,515
	\$ 349,536

**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 valuations as of July 1, 2013. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.04%
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 Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate-Term Bonds	10.00%	1.79%
Mortgage	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Discount Rate**

The discount rate used to measure the total pension liability was (4.90%) and (5.39%) as of June 30, 2015 and June 30, 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80 as of June 30, 2015, 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 contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension 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 pension plan investments was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Fiscal Year Ended June 30, 2015			
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 3,317,807	\$ 2,669,455	\$ 2,125,883

Fiscal Year Ended June 30, 2014			
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 2,800,959	\$ 2,226,457	\$ 1,744,022

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

**B. Teacher's Pension Annuity Fund (TPAF)**

**Pension Description**

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

**Benefit Provided**

The vesting and benefit provision 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 of 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the member's accounts. The following represents the membership tiers for TPAF:

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

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Contributions**

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2015 and 2014, the State's pension contribution was less than the actuarially determined amount.

**Special Funding Situation**

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

This note discloses the portion of the School District's total proportionate share of the net pension liability that is associated with the School District. During the fiscal years ended 2015, the State of New Jersey contributed to the TPAF for normal pension benefits on behalf of the School District, which is less than the contractually required contribution of \$23,838,298.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As June 30, 2015, the State's proportionate share of the net pension liability associated with the School District was \$23,838,298. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015.

The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, School District's proportion was \$0, which was a decrease of \$23,838,298 from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>23,838,298</u>
Total	\$	<u>23,838,298</u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the School District in the amount of \$20,866,554 and the School District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 7,200,153,386	\$ -
Difference Between Expected and Actual Experience	321,224,871	19,039,817
Changes in Proportion and differences between employer contributions and proportionate share of contributions	117,933,318	117,933,318
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>535,359,188</u>
	<u>\$ 7,639,311,575</u>	<u>\$ 672,332,323</u>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$7,639,311,575 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$672,332,323 reported as a deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year Ending June 30,	Total
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	2,196,835,040
	\$ 6,966,979,252

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 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	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables 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 200 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.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2014 is summarized in the following table:

US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
U.S. Equity Markets	27.25%	5.63%
Foreign Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds- Multi Strategy	4.00%	4.59%
Hedge Funds- Equity Hedge	4.00%	5.68%
Hedge Funds- Distressed	4.00%	4.30%

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Discount Rate – TPAF**

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and June 30, 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015, 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 upon the average of the last five years. Based on those assumptions, the pension 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 applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Fiscal Year Ended June 30, 2015			
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the Net Pension Liability	\$ 28,498,387	\$ 23,971,660	\$ 20,085,657

Fiscal Year Ended June 30, 2014			
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
District's proportionate share of the Net Pension Liability	\$ 24,411,100	\$ 20,296,286	\$ 16,873,837

**Pension Plan Fiduciary Net Position – TPAF**

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 8: PENSION PLANS (CONTINUED)**

**C. Defined Contribution Retirement Program (DCRP)**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

For DCRP, the School District recognized pension expense of \$281.04 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$515.28 for the fiscal year ended June 30, 2016.

**NOTE 9: POST-RETIREMENT BENEFITS**

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, 2015 there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)**

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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**NOTE 10: DEFERRED COMPENSATION**

The Board offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by various entities permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

**NOTE 11: RISK MANAGEMENT**

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

**Property and Liability Insurance**

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance**

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

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance (Continued)**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 51,638	\$ -	\$ 32,930	\$ 1	\$ 84,567
2014-2015	\$ 52,505	-	7,976	9,037	51,444
2013-2014	\$ 58,236	-	7,841	13,573	52,504

**NOTE 12: CONTINGENT LIABILITIES**

**Grant Programs**

The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**NOTE 13: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$2,155,523 in General Fund balance at June 30, 2016, \$0 has been appropriated and included as anticipated revenue in the 2016-2017 budget, \$17,295 is reserved for encumbrances, \$1,550,837 is reserved for capital reserve account; \$212,983 is set aside for maintenance reserve; \$ 172,506 is set aside for emergency reserve; and \$201,902 is unreserved and undesignated.

**NOTE 14: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C – BUDGETARY COMPARISON SCHEDULES***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 7,328,700	\$ -	\$ 7,328,700	\$ 7,328,700	\$ -
Tuition	36,000		36,000	63,000	27,000
Earnings on Investments	1,681		1,681	2,049	368
Other Revenues from Local Sources	30,000	5,000	35,000	29,171	(5,829)
<b>Total Local Sources</b>	<b>7,396,381</b>	<b>5,000</b>	<b>7,401,381</b>	<b>7,422,920</b>	<b>21,539</b>
State Sources:					
School Choice Aid	275,562	26,244	301,806	301,806	-
Transportation Aid	167,799		167,799	167,799	-
Special Education Aid	265,142		265,142	265,142	-
Extraordinary Aid	28,800		28,800	65,073	36,273
Security Aid	34,048		34,048	34,048	-
Adjustment Aid	393,911		393,911	393,911	-
Other Unrestricted State Aid	7,600		7,600	12,648	5,048
On-Behalf TPAF Pension Contributions				656,417	656,417
Reimbursed TPAF Social Security Contributions				261,366	261,366
<b>Total State Sources</b>	<b>1,172,862</b>	<b>26,244</b>	<b>1,199,106</b>	<b>2,158,210</b>	<b>959,104</b>
<b>Total Revenues</b>	<b>8,569,243</b>	<b>31,244</b>	<b>8,600,487</b>	<b>9,581,130</b>	<b>980,643</b>
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	278,182	(74,211)	203,971	188,399	15,572
Grades 1-5	1,279,844	49,464	1,329,308	1,316,811	12,497
Grades 6-8	888,526	263	888,789	888,789	-
Home Instruction					
<b>Total Regular Programs - Instruction</b>	<b>2,446,552</b>	<b>(24,484)</b>	<b>2,422,068</b>	<b>2,393,999</b>	<b>28,069</b>
Regular Programs - Undistributed Instruction:					
Other Purchased Services	18,000	(15,619)	2,381	529	1,852
General Supplies	139,950	4,456	144,406	118,625	25,781
Textbooks	40,000	(2,247)	37,753	26,130	11,623
Miscellaneous Expenditures	5,000	544	5,544	5,284	260
<b>Total Regular Programs - Undistributed Instruction</b>	<b>202,950</b>	<b>(10,619)</b>	<b>192,331</b>	<b>152,815</b>	<b>39,516</b>
<b>Total Regular Programs</b>	<b>2,659,502</b>	<b>(35,103)</b>	<b>2,624,399</b>	<b>2,548,359</b>	<b>76,040</b>
Special Education:					
Multiple Disabilities:					
Salaries of Teachers		75,507	75,507	75,146	361
Other Salaries for Instruction		13,493	13,493	13,493	-
<b>Total Multiple Disabilities</b>	<b>-</b>	<b>89,250</b>	<b>89,250</b>	<b>88,639</b>	<b>611</b>
Resource Room/Resouce Center:					
Salaries of Teachers	584,515	1,936	586,451	586,450	1
Other Salaries for Instruction	144,875	(21,400)	123,475	123,475	-
General Supplies	6,000	(3,575)	2,425	2,425	-
Textbooks					
<b>Total Resource Room/Resouce Center</b>	<b>735,390</b>	<b>(23,039)</b>	<b>712,351</b>	<b>712,350</b>	<b>1</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	73,500	(11,807)	61,693	54,952	6,741
Other Salaries for Instruction	46,500	2,847	49,347	49,347	-
General Supplies	2,500		2,500	2,480	20
<b>Total Preschool Disabilities - Part-Time</b>	<b>122,500</b>	<b>(8,960)</b>	<b>113,540</b>	<b>106,779</b>	<b>6,761</b>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial:					
Salaries of Teachers	\$ 188,800	\$ (15,000)	\$ 173,800	\$ 169,585	\$ 4,215
Other Purchased Services					
General Supplies	5,000		5,000	4,846	154
Textbooks	1,200		1,200		1,200
<b>Total Basic Skills/Remedial</b>	<b>195,000</b>	<b>(15,000)</b>	<b>180,000</b>	<b>174,431</b>	<b>5,569</b>
Bilingual Education:					
General Supplies	250		250	57	193
<b>Total Bilingual Education</b>	<b>250</b>	<b>-</b>	<b>250</b>	<b>57</b>	<b>193</b>
<b>Total Special Education</b>	<b>1,053,140</b>	<b>42,251</b>	<b>1,095,391</b>	<b>1,082,256</b>	<b>13,135</b>
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	50,000	2,102	52,102	45,092	7,010
Supplies and Materials	5,000		5,000	4,134	866
<b>Total School-Sponsored Co-Curricular and Extra-Curricular Activities</b>	<b>55,000</b>	<b>2,102</b>	<b>57,102</b>	<b>49,226</b>	<b>7,876</b>
School-Sponsored Athletics:					
Salaries	50,000		50,000	34,765	15,235
Purchased Services	10,000		10,000	5,067	4,933
Supplies and Materials	7,500	2,132	9,632	7,111	2,521
Other Objects	3,000		3,000		3,000
<b>Total School-Sponsored Athletics</b>	<b>70,500</b>	<b>2,132</b>	<b>72,632</b>	<b>46,943</b>	<b>25,689</b>
<b>Total Other Instructional Programs</b>	<b>125,500</b>	<b>4,234</b>	<b>129,734</b>	<b>96,169</b>	<b>33,565</b>
<b>Total Instruction</b>	<b>3,838,142</b>	<b>11,382</b>	<b>3,849,524</b>	<b>3,726,784</b>	<b>122,740</b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special Education	57,257	(1,626)	55,631	16,841	38,790
Tuition to County Special Services and Regional Day School Within the State	103,493	285	103,778	103,778	-
Tuition to Private Schools for the Disabled Within the State	78,789	1,626	80,415	73,231	7,184
<b>Total Instruction</b>	<b>239,539</b>	<b>285</b>	<b>239,824</b>	<b>193,850</b>	<b>45,974</b>
Health Services:					
Salaries	87,375	3,261	90,636	88,615	2,021
Purchased Prof/Tech Services	5,000		5,000	3,366	1,634
Supplies and Materials	1,800		1,800	1,590	210
<b>Total Health Services</b>	<b>94,175</b>	<b>3,261</b>	<b>97,436</b>	<b>93,571</b>	<b>3,865</b>
Other Support Services Students - Related Services:					
Salaries	58,100	10,581	68,681	68,681	-
Purchased Prof/Ed Services	80,000	(10,324)	69,676	58,701	10,975
Supplies and Materials	2,500		2,500	2,330	170
<b>Total Other Support Services Students - Related Services</b>	<b>140,850</b>	<b>257</b>	<b>141,107</b>	<b>129,712</b>	<b>11,395</b>
Other Support Services Students - Extraordinary Services:					
Salaries	35,250	(12,535)	22,715		22,715
<b>Total Other Support Services Students - Extraordinary Services</b>	<b>35,250</b>	<b>(12,535)</b>	<b>22,715</b>	<b>-</b>	<b>22,715</b>
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	91,000	2,655	93,655	93,655	-
Supplies and Materials	800	(381)	419	419	-
Other Objects	100		100	100	-
<b>Total Other Support Services Students - Regular Services</b>	<b>91,900</b>	<b>2,274</b>	<b>94,174</b>	<b>94,174</b>	<b>-</b>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	\$ 130,950	\$ -	\$ 130,950	\$ 108,789	\$ 22,161
Salaries of Secretarial and Clerical Assistants	41,950		41,950	41,321	629
Purchased Prof/Ed Services	20,000	(2,691)	17,309	3,831	13,478
Other Purchased Prof/Tech Services	10,000	4,059	14,059	11,449	2,610
Supplies and Materials	5,370		5,370	4,251	1,119
Other Objects	1,500		1,500		1,500
<b>Total Other Support Services Students - Special Services</b>	<b>210,270</b>	<b>1,368</b>	<b>211,638</b>	<b>169,641</b>	<b>41,997</b>
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff	190,900	(41,100)	149,800	127,780	22,020
Salaries of Secretarial and Clerical Assistants	57,000	(1,235)	55,765	55,642	123
Purchased Prof/Ed Services	600	8,300	8,900	8,819	81
Supplies and Materials	4,370	3,831	8,201	8,188	13
Other Objects	5,000	(2,596)	2,404	2,403	1
<b>Total Improvement of Instruction Services</b>	<b>258,170</b>	<b>(32,800)</b>	<b>225,370</b>	<b>202,832</b>	<b>22,538</b>
Educational Media/Library:					
Salaries	161,700		161,700	158,208	3,492
Purchased Prof/Tech Services	160,000	(3,801)	156,199	132,546	23,653
Supplies and Materials	5,000	3,730	8,730	8,730	-
Instructional Equipment	15,000	906	15,906	15,906	-
<b>Total Educational Media/Library</b>	<b>382,450</b>	<b>(8,300)</b>	<b>374,150</b>	<b>347,005</b>	<b>27,145</b>
Instructional Staff Training Services:					
Purchased Prof/Ed Services	7,500	196	7,696	6,267	1,429
Other Purchased Services	500		500	216	284
Supplies and Materials	500	93	593	593	-
<b>Total Instructional Staff Training Services</b>	<b>8,500</b>	<b>289</b>	<b>8,789</b>	<b>7,076</b>	<b>1,713</b>
Support Services General Administration:					
Salaries	218,450	-	218,450	182,683	35,767
Legal Fees	20,000	(1,018)	18,982	3,973	15,009
Audit Fees	17,500	1,018	18,518	18,518	-
Other Purchased Professional Fees	26,200	3,500	29,700	19,041	10,659
Communications/Telephone	39,350		39,350	31,398	7,952
Other Purchased Services	33,500		33,500	33,500	-
General Supplies	2,500	(161)	2,339	715	1,624
Miscellaneous Expenditures	3,000	161	3,161	3,161	-
BOE Membership Dues and Fees	9,200		9,200	6,231	2,969
<b>Total Support Services General Administration</b>	<b>369,700</b>	<b>3,500</b>	<b>373,200</b>	<b>299,220</b>	<b>73,980</b>

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Central Services:					
Salaries	\$ 177,975		\$ 177,975	\$ 167,988	\$ 9,987
Purchased Professional Services	16,500	(40)	16,460	16,091	369
Miscellaneous Purchased Services	3,500		3,500	3,492	8
Supplies and Materials	1,800	40	1,840	1,667	173
Miscellaneous Expenditures	1,925		1,925	1,925	-
<b>Total Central Services</b>	<b>203,450</b>	<b>-</b>	<b>203,450</b>	<b>192,383</b>	<b>11,067</b>
Required Maintenance for School Facilities:					
Salaries	66,450	(7,649)	58,801	57,048	1,753
Cleaning, Repair and Maintenance Services	115,000	38,294	153,294	142,465	10,829
General Supplies	10,000	1,745	11,745	11,182	563
Other Objects	550	1,100	1,650	1,384	266
<b>Total Required Maintenance for School Facilities</b>	<b>192,000</b>	<b>33,490</b>	<b>225,490</b>	<b>212,079</b>	<b>13,411</b>
Custodial Services:					
Salaries	189,900		189,900	182,320	7,580
Cleaning, Repair and Maintenance Services	15,000	(2,500)	12,500	8,321	4,179
Other Purchased Property Services	37,500	8,730	46,230	43,650	2,580
Insurance	29,000	(22)	28,978	25,501	3,477
General Supplies	25,000	1,775	26,775	26,580	195
Energy - Electricity	125,000	1,600	126,600	109,290	17,310
Energy - Oil	90,000	(7,000)	83,000	37,464	45,536
<b>Total Custodial Services</b>	<b>511,400</b>	<b>3,308</b>	<b>514,708</b>	<b>433,515</b>	<b>81,193</b>
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	17,900	(1,251)	16,649	6,512	10,137
General Supplies	4,600		4,600	4,321	279
Equipment		2,249	2,249	2,249	-
<b>Total Care and Upkeep of Grounds</b>	<b>22,500</b>	<b>998</b>	<b>23,498</b>	<b>13,082</b>	<b>10,416</b>
Security:					
Salaries					
General Supplies		5,145	5,145	5,145	-
<b>Total Security</b>	<b>-</b>	<b>5,145</b>	<b>5,145</b>	<b>5,145</b>	<b>-</b>
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular		2,750	2,750	2,735	15
Other Purchased Professional and Technical Services					
Cleaning, Repair and Maintenance Services		765	765	700	65
Contracted Services - Aid In Lieu of Payment for Non-public School Students	28,288		28,288	21,584	6,704
Contracted Services - Transportation (B/T Home & School) - Vendors					
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	31,000	4,415	35,415	34,723	692
Contracted Services (B/T Home & School) - Joint Agreements	255,000	(24,227)	230,773	229,684	1,089
Contracted Services (Special Ed Students) - Joint Agreements	62,000		62,000		62,000
Contracted Services (Special Ed Students) - ESC & CTSA	60,000	17,877	77,877	77,877	-
Miscellaneous Purchased Services - Transportation					
Supplies and Materials		2,350	2,350	2,234	116
Other Objects		712	712	712	-
<b>Total Student Transportation Services</b>	<b>443,360</b>	<b>28,994</b>	<b>472,354</b>	<b>397,360</b>	<b>74,994</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	100,000	5,822	105,822	105,707	115
Other Retirement Contributions - Regular	95,000	7,237	102,237	102,237	-
Workmen's Compensation	75,000		75,000	75,000	-
Health Benefits	1,359,100	(17,690)	1,341,410	1,233,000	108,410
Tuition Reimbursement	42,000	3,147	45,147	13,048	32,099
Other	34,900	25,805	60,705	60,152	553
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>1,736,000</b>	<b>19,321</b>	<b>1,755,321</b>	<b>1,614,144</b>	<b>141,177</b>

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



DELAWARE TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
On-Behalf TPAF Pension Contributions (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 656,417	\$ (656,417)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				261,366	(261,366)
Total Contributions	-	-	-	917,783	(917,783)
Total Undistributed Expenditures	4,939,514	89,955	5,029,469	5,363,672	(334,203)
Total Expenditures - Current Expenses	8,777,656	101,337	8,878,993	9,090,456	(211,463)
Capital Outlay:					
Instructional Expenditures (Equipment):					
Regular Programs - Grades 1-5	7,500	1,114	8,614	8,614	-
Total Instructional Expenditures (Equipment)	7,500	1,114	8,614	8,614	-
Undistributed Expenditures (Equipment):					
Instruction	7,500	1,114	8,614	8,614	-
Operation and Maintenance of Plant Services	7,500	(2,228)	5,272		5,272
Total Undistributed Expenditures (Equipment)	437,023	103,771	540,794	296,725	244,069
Facilities Acquisition and Construction Services:					
Salaries					
Legal Services					
Other Purchased Prof/Tech Services					
Construction Services					
Other Objects					
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Capital Outlay	444,523	104,885	549,408	305,339	244,069
Total Expenditures	9,222,179	206,222	9,428,401	9,395,795	32,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	(652,936)	(174,978)	(827,914)	185,335	1,013,249
OTHER FINANCING SOURCES:					
Transfers Out				(78,671)	(78,671)
Total Other Financing Sources	-	-	-	(78,671)	(78,671)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(652,936)	(174,978)	(827,914)	106,664	934,578
FUND BALANCES, JULY 1	2,079,227	78,282	2,157,509	2,157,509	-
FUND BALANCES, JUNE 30	\$ 1,426,291	\$ (96,696)	\$ 1,329,595	\$ 2,264,173	\$ 934,578
RECAPITULATION:					
Assigned To:					
Encumbrances - Current Year				\$ 17,295	
Capital Reserve Account				1,550,837	
Excess Surplus					
Maintenance				212,983	
Emergency				172,506	
Unreserved:					
Unreserved Fund Balance				310,552	
Designated Fund Balance					
				2,264,173	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(108,650)	
Fund Balance Per Governmental Funds (GAAP)				\$ 2,155,523	

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE SOURCES:</b>					
Local	\$ -	\$ 1,100	\$ 1,100	\$ 1,100	\$ -
Federal	131,175	20,420	151,595	151,595	-
<b>Total Revenues</b>	<u>131,175</u>	<u>21,520</u>	<u>152,695</u>	<u>152,695</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	7,644	(7,644)	-		-
Purchased Prof/Tech Services	1,700	(1,700)	-		-
Other Purchased Services	50,150	5,619	55,769	55,769	-
General Supplies	6,156	4,844	11,000	11,000	-
Other Objects		1,100	1,100	1,100	-
<b>Total Instruction</b>	<u>65,650</u>	<u>2,219</u>	<u>67,869</u>	<u>67,869</u>	<u>-</u>
Support Services:					
Purchased Professional Services	29,000	16,494	45,494	45,494	-
Purchased Technical Services	5,200	(107)	5,093	5,093	-
Purchased Property Services	30,000	(12,361)	17,639	17,639	-
Other Purchased Services	450	(450)	-		-
Supplies and Materials	875	9,765	10,640	10,640	-
<b>Total Support Services</b>	<u>65,525</u>	<u>13,341</u>	<u>78,866</u>	<u>78,866</u>	<u>-</u>
<b>Total Expenditures</b>	<u>131,175</u>	<u>21,520</u>	<u>152,695</u>	<u>152,695</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

***NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2016

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 9,581,130	[C-2] \$ 152,695
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.	106,073	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(108,650)	
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 9,578,553	[B-2] \$ 152,695
<b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 9,474,466	[C-2] \$ 152,695
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.		
Net Transfers (Outflows) to/from general fund.	(78,671)	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 9,395,795	[B-2] \$ 152,695

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

***SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
PENSIONS (GASB 68)***

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TWO FISCAL YEARS  
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
Charter School's proportion of the net pension liability	0.0123869317%	0.0121027105%
Charter School's proportionate share of the net pension liability	\$ 2,367,389	\$ 2,669,455
Charter School's covered employees payroll	\$ 1,087,006	\$ 996,564
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	218%	268%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TWO FISCAL YEARS  
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
Contractually required contribution	93,333	\$ 99,773
Contributions in relation to the contractually required contribution	<u>(0)</u>	<u>(102,237)</u>
Contribution deficiency/(excess)	<u>\$ 93,333</u>	<u>\$ (2,464)</u>
Charter School's covered employee payroll	\$ 1,087,006	\$ 996,564
Contributions as a percentage of covered employee payroll	8.59%	10.01%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER'S PENSION AND ANNUITY FUND  
 LAST TWO FISCAL YEARS  
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable of the Charter School	0.0377162774%	0.00000000%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 20,218,196	\$ -
CS / District's covered employees payroll	\$ 3,808,662	\$ 3,859,796
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	530.85%	0.00%
Plan fiduciary net position as a p ercentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III***

**DELAWARE TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR FISCAL YEAR ENDED JUNE 30, 2015**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015 in accordance with Paragraph 44 of GASB Statement No. 67.

**DELAWARE TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**TEACHER'S PENSION AND ANNUITY FUND**  
**FOR FISCAL YEAR ENDED JUNE 30, 2015**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015 in accordance with Paragraph 44 of GASB Statement No. 67.

***OTHER SUPPLEMENTARY INFORMATION***

**SECTION E – SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

***Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Local Grant	NCLB Title I	I.D.E.A. Part B	I.D.E.A. Part B Preschool	NCLB Title II	REAP Grant	Grand Total
<b>REVENUE SOURCES:</b>							
Local	\$ 1,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100
Federal	-	16,770	86,724	6,093	7,769	34,239	151,595
<b>Total Revenues</b>	<b>1,100</b>	<b>16,770</b>	<b>86,724</b>	<b>6,093</b>	<b>7,769</b>	<b>34,239</b>	<b>152,695</b>
<b>EXPENDITURES:</b>							
Instruction:							
Other Purchased Services		3,000	45,000		7,769		55,769
General Supplies		7,000	3,000	1,000			11,000
Other Objects	1,100						1,100
<b>Total Instruction</b>	<b>1,100</b>	<b>10,000</b>	<b>48,000</b>	<b>1,000</b>	<b>7,769</b>	<b>-</b>	<b>67,869</b>
Support Services:							
Purchased Professional Services		6,770	38,724				45,494
Purchased Technical Services						17,639	17,639
Other Purchased Prof/Tech Services				5,093			5,093
Supplies and Materials						10,640	10,640
<b>Total Support Services</b>	<b>-</b>	<b>6,770</b>	<b>38,724</b>	<b>5,093</b>	<b>-</b>	<b>28,279</b>	<b>78,866</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment						5,960	5,960
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,960</b>	<b>5,960</b>
<b>Total Expenditures</b>	<b>1,100</b>	<b>16,770</b>	<b>86,724</b>	<b>6,093</b>	<b>7,769</b>	<b>34,239</b>	<b>152,695</b>
<b>Total Outflows</b>	<b>1,100</b>	<b>16,770</b>	<b>86,724</b>	<b>6,093</b>	<b>7,769</b>	<b>34,239</b>	<b>152,695</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SECTION G – PROPRIETARY FUNDS  
DETAIL STATEMENTS**

*Proprietary 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 district’s board is that the costs of providing goods or services be financed through user charges.*

*Food Services Fund – This fund provides for the operation of food services in all schools within the school district.*

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.**

**SECTION H – FIDUCIARY FUNDS  
DETAIL STATEMENTS**

***Fiduciary Funds are used to account for funds received by the school district for a specific purpose.***

***Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employee’s salaries which are utilized to pay unemployment compensation claims as they arise.***

***Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.***

***Student Activity Fund – This agency fund is used to account for student funds held at the schools.***

***Payroll Agency Fund – This agency fund is used to account for the payroll transactions of the school district.***



DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AS OF JUNE 30, 2016

	Trust		Agency			Total Agency Fund
	Unemployment Compensation Insurance	Flexible Spending Account	Total Trust Fund	Student Activities	Payroll Agency	
ASSETS:						
Cash and Cash Equivalents	\$ 84,278	\$ 3,827	\$ 88,105	\$ 18,708	\$ 347	\$ -
Other Accounts Receivable	289		289			
Total Assets	\$ 84,567	\$ 3,827	\$ 88,394	\$ 18,708	\$ 347	\$ 19,055
LIABILITIES:						
Accounts Payable						
Payroll Deductions and Withholdings Due to Student Groups				18,708	347	347
Total Liabilities	-	-	-	18,708	347	18,708
NET POSITION:						
Reserved Net Position	84,567	3,827	88,394			
Total Net Position	\$ 84,567	\$ 3,827	\$ 88,394	\$ 18,708	\$ 347	\$ 19,055

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 TRUST FUND  
 FOR FISCAL YEAR ENDED JUNE 30, 2016

	Unemployment Compensation Insurance	Flexible Spending Account	Total Trusts
ADDITIONS:			
Contributions	\$ 32,930	\$ 19,090	\$ 52,020
Total Additions	32,930	19,090	52,020
DEDUCTIONS:			
Payment of Claims	-		-
Funding Payments		21,390	21,390
Miscellaneous Expenses		476	476
Total Deductions	-	21,866	21,866
CHANGE IN NET POSITION	32,930	(2,776)	30,154
NET POSITION - BEGINNING OF THE YEAR	51,637	6,603	58,240
NET POSITION - END OF THE YEAR	\$ 84,567	\$ 3,827	\$ 88,394

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STUDENT ACTIVITY AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Elementary Schools	<u>\$ 17,799</u>	<u>\$ 33,324</u>	<u>\$ 32,415</u>	<u>\$ 18,708</u>
Total	<u><u>\$ 17,799</u></u>	<u><u>\$ 33,324</u></u>	<u><u>\$ 32,415</u></u>	<u><u>\$ 18,708</u></u>

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 7,968	\$ 2,502,673	\$ 2,510,294	\$ 347
Total Assets	<u>\$ 7,968</u>	<u>\$ 2,502,673</u>	<u>\$ 2,510,294</u>	<u>\$ 347</u>
<b>LIABILITIES:</b>				
Interfund Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	\$ 7,968	\$ 2,502,673	\$ 2,510,294	\$ 347
Total Liabilities	<u>\$ 7,968</u>	<u>\$ 2,502,673</u>	<u>\$ 2,510,294</u>	<u>\$ 347</u>

**SECTION I – LONG-TERM DEBT SCHEDULES**

***The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF SERIAL BONDS  
 AS OF JUNE 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
School Addition and Alterations	7/1/2005	3,750,000	7/1/05-1/15/21	Various	3.50%	2,850,000	-	410,000	2,440,000
Total						\$ 2,850,000	\$ -	\$ 410,000	\$ 2,440,000

DELAWARE TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 527,288	\$ -	\$ 527,288	\$ 527,288	\$ -
Total Revenues	527,288	-	527,288	527,288	-
EXPENDITURES:					
Debt Service - Regular					
Interest	117,288		117,288	117,287	1
Redemption of Principal	410,000		410,000	410,000	-
Total Expenditures	527,288	-	527,288	527,287	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
FUND BALANCE, JULY 1	-	-	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ 1	\$ 1

***STATISTICAL SECTION (UNAUDITED)***

***GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available.***



**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.*

***FINANCIAL TRENDS***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
NET ASSETS/POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 6,147,946	\$ 5,483,699	\$ 5,496,804	\$ 5,583,276	\$ 5,771,417	\$ 5,909,755	\$ 5,906,790	\$ 6,137,965	\$ 2,448,553	\$ 920,042
Restricted	2,072,080	2,663,077	1,660,770	1,765,666	1,567,616	1,113,474	943,512	547,159	4,475,545	4,410,797
Unrestricted	(2,021,402)	(2,303,030)	963,253	144,749	(27,552)	40,475	138,542	60,121	26,031	196,828
<b>Total Governmental Activities Net Assets/Position</b>	<b>\$ 6,198,624</b>	<b>\$ 5,843,746</b>	<b>\$ 8,120,827</b>	<b>\$ 7,493,691</b>	<b>\$ 7,311,481</b>	<b>\$ 7,063,704</b>	<b>\$ 6,988,844</b>	<b>\$ 6,745,245</b>	<b>\$ 6,950,129</b>	<b>\$ 5,527,667</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 637	\$ 9,054	\$ 17,471	\$ 25,888	\$ 34,305	\$ 42,722	\$ 51,139	\$ 59,556	\$ 67,973	\$ 76,390
Restricted	-	-	-	23,132	-	-	-	-	-	-
Unrestricted	21,063	33,030	44,678	-	20,523	28,951	17,013	17,192	19,411	11,502
<b>Total Business-Type Activities Net Assets/Position</b>	<b>\$ 21,700</b>	<b>\$ 42,084</b>	<b>\$ 62,149</b>	<b>\$ 49,020</b>	<b>\$ 54,828</b>	<b>\$ 71,673</b>	<b>\$ 68,152</b>	<b>\$ 76,748</b>	<b>\$ 87,384</b>	<b>\$ 87,892</b>
<b>District-wide</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 6,148,583	\$ 5,492,753	\$ 5,514,275	\$ 5,609,164	\$ 5,805,722	\$ 5,952,477	\$ 5,957,929	\$ 6,197,521	\$ 2,516,526	\$ 996,432
Restricted	2,072,080	2,663,077	1,660,770	1,765,666	1,567,616	1,113,474	943,512	547,159	4,475,545	4,410,797
Unrestricted	(2,000,339)	(2,270,000)	1,007,931	167,881	(7,029)	69,426	155,555	77,313	45,442	208,330
<b>Total District-wide Net Assets/Position</b>	<b>\$ 6,220,324</b>	<b>\$ 5,885,830</b>	<b>\$ 8,182,976</b>	<b>\$ 7,542,711</b>	<b>\$ 7,366,309</b>	<b>\$ 7,135,377</b>	<b>\$ 7,056,996</b>	<b>\$ 6,821,993</b>	<b>\$ 7,037,513</b>	<b>\$ 5,615,559</b>

DELAWARE TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 4,109,371	\$ 3,873,541	\$ 3,610,264	\$ 3,737,507	\$ 3,797,348	\$ 3,764,894	\$ 3,683,488	\$ 3,448,415	\$ 3,509,160	\$ 3,444,849
Special Education	1,369,853	1,315,217	1,255,885	1,324,589	1,084,197	978,285	1,020,595	1,011,913	1,054,973	815,604
Other Special Education	261,282	235,204	271,614	292,872	266,080	240,963	284,335	296,418	283,058	328,312
Other Instruction	137,040	102,928	117,193	118,437	109,623	108,532	102,595	98,629	168,231	85,244
Support Services:										
Tuition	193,850	150,925	217,694	63,464	104,569	112,101	96,705	184,945	73,527	57,738
Student and Instruction Related Services	1,503,586	1,749,006	1,425,450	1,242,360	1,283,246	1,160,774	1,156,621	1,203,725	1,137,694	1,098,492
General and Business Administration Services	705,619	865,452	726,632	603,686	646,129	587,836	576,933	554,574	482,857	456,692
School Administrative Services	62,135	-	56,447	275,631	262,937	256,023	277,629	268,544	272,169	146,014
Plant Operations and Maintenance	950,577	914,316	1,023,246	916,089	845,003	903,124	815,506	828,280	853,707	674,431
Pupil Transportation	410,373	435,242	489,737	388,412	406,583	404,384	344,971	456,409	499,934	418,742
Capital Outlay	214,237	(57,232)	679,898	275,747	295,889	327,452	55,066	245,230	69,944	61,741
Interest on Long-Term Debt	113,329	121,617	130,825	143,741	157,784	168,551	178,549	284,865	378,735	386,326
Unallocated Depreciation	26,549	26,549	26,549	26,549	26,549	26,549	26,549	26,333	17,456	27,698
Total Governmental Activities Expenses	10,057,801	9,732,765	10,031,434	9,409,084	9,285,937	9,039,468	8,619,522	8,908,280	8,801,445	8,001,883
Business-Type Activities:										
Food Service	101,005	113,979	92,303	109,464	153,065	136,647	136,634	136,325	141,027	148,040
Total Business-Type Activities Expenses	101,005	113,979	92,303	109,464	153,065	136,647	136,634	136,325	141,027	148,040
Total District Expenses	\$ 10,158,806	\$ 9,846,744	\$ 10,123,737	\$ 9,518,548	\$ 9,439,002	\$ 9,176,115	\$ 8,756,156	\$ 9,044,605	\$ 8,942,472	\$ 8,149,923
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 63,000	\$ 49,800	\$ 40,133	\$ 65,476	\$ 77,807	\$ 71,107	\$ 54,176	\$ 34,375	\$ 20,800	\$ 14,500
Operating Grants and Contributions	432,888	432,874	435,294	442,023	414,023	422,994	406,571	371,822	428,584	429,118
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	495,888	482,674	475,427	507,499	491,830	494,101	460,747	406,197	449,384	443,618

DELAWARE TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET ASSETS/POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Business-Type Activities:</b>										
Charges for Services	\$ 72,704	\$ 76,649	\$ 86,531	\$ 90,015	\$ 116,527	\$ 120,965	\$ 111,582	\$ 111,637	\$ 124,746	\$ 116,552
Operating Grants and Contributions	18,207	17,189	18,903	13,640	19,694	19,211	16,456	14,052	15,773	17,475
Total Business-Type Activities Expenses	90,911	93,838	105,434	103,655	136,221	140,166	128,038	125,689	140,519	134,027
Total District Program Revenues	\$ 586,799	\$ 576,512	\$ 580,861	\$ 611,154	\$ 628,051	\$ 634,267	\$ 588,785	\$ 531,886	\$ 589,903	\$ 577,645
<b>Net (Expense)/Revenue</b>	\$ (9,561,913)	\$ (9,250,091)	\$ (9,556,007)	\$ (8,901,585)	\$ (8,794,107)	\$ (8,545,367)	\$ (8,158,775)	\$ (8,502,083)	\$ (8,352,061)	\$ (7,558,265)
Governmental Activities	(10,094)	(20,141)	13,131	(5,809)	(16,844)	3,519	(8,596)	(10,636)	(508)	(14,013)
Business-Type Activities	\$ (9,572,007)	\$ (9,270,232)	\$ (9,542,876)	\$ (8,907,394)	\$ (8,810,951)	\$ (8,541,848)	\$ (8,167,371)	\$ (8,512,719)	\$ (8,352,569)	\$ (7,572,278)
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 7,328,700	\$ 7,185,000	\$ 7,185,108	\$ 7,185,108	\$ 7,044,281	\$ 6,923,540	\$ 6,527,483	\$ 6,276,426	\$ 6,035,994	\$ 6,035,994
Debt Service	527,288	320,575	510,802	479,291	477,941	434,253	439,578	456,733	396,379	425,212
Federal and State Aid Not Restricted	1,874,340	1,729,346	1,942,680	1,413,789	1,457,953	1,145,814	1,415,038	1,370,057	1,690,851	1,637,196
Investment Earnings	2,049	1,993	3,137	3,240	3,333	3,561	5,901	160,014	195,302	203,901
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	30,271	82,382	4,115	2,368	58,976	113,059	14,374	33,969	10,402	8,628
Total Governmental Activities	\$ 9,916,792	\$ 9,240,625	\$ 10,183,144	\$ 9,083,796	\$ 9,041,884	\$ 8,620,227	\$ 8,402,374	\$ 8,297,199	\$ 8,328,928	\$ 8,310,931
Business-Type Activities:										
Miscellaneous Income	15	74	-	-	-	-	-	-	-	-
Total Business-Type Activities	(209)	74	-	-	-	-	-	-	-	-
Total District-wide	\$ 9,916,583	\$ 9,240,699	\$ 10,183,144	\$ 9,083,796	\$ 9,041,884	\$ 8,620,227	\$ 8,402,374	\$ 8,297,199	\$ 8,328,928	\$ 8,310,931
<b>Change in Net Assets/Position</b>										
Governmental Activities	\$ 354,879	\$ (9,466)	\$ 627,137	\$ 182,211	\$ 247,777	\$ 74,860	\$ 243,599	\$ (204,884)	\$ (23,133)	\$ 752,666
Business-Type Activities	(10,303)	(20,067)	13,131	(5,809)	(16,844)	3,519	(8,596)	(10,636)	(508)	(14,013)
Total District	\$ 344,576	\$ (29,533)	\$ 640,268	\$ 176,402	\$ 230,933	\$ 78,379	\$ 235,003	\$ (215,520)	\$ (23,641)	\$ 738,653

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ 1,953,621	\$ 1,837,781	\$ 1,660,770	\$ 1,765,666	\$ 1,567,616	\$ 1,113,474	\$ 898,511	\$ 547,159	\$ 742,553	\$ 641,732
Unreserved	201,902	213,655	151,063	257,268	160,586	178,811	138,384	149,244	201,047	201,179
<b>Total General Fund</b>	<b>\$ 2,155,523</b>	<b>\$ 2,051,436</b>	<b>\$ 1,811,833</b>	<b>\$ 2,022,934</b>	<b>\$ 1,728,202</b>	<b>\$ 1,292,285</b>	<b>\$ 1,036,895</b>	<b>\$ 696,403</b>	<b>\$ 943,600</b>	<b>\$ 842,911</b>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,701,111	\$ 3,773,334
Unreserved, Reported In:										
Capital Projects Fund	17,593	20,645	825,296	-	-	-	-	-	31,881	-
Debt Service Fund	1	-	-	-	2	2	45,001	-	-	19,065
<b>Total All Other Governmental Funds</b>	<b>\$ 17,594</b>	<b>\$ 20,645</b>	<b>\$ 825,296</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 45,001</b>	<b>\$ -</b>	<b>\$ 3,732,992</b>	<b>\$ 3,769,065</b>

DELAWARE TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 7,855,988	\$ 7,505,575	\$ 7,695,802	\$ 7,664,399	\$ 7,521,622	\$ 7,357,793	\$ 6,967,061	\$ 6,733,159	\$ 6,432,373	\$ 6,461,206
Tuition	63,000	49,800	40,133	65,476	77,807	71,107	54,176	34,375	20,800	14,500
Interest In Investments	2,049	1,993	3,137	3,240	3,333	3,561	5,901	160,014	195,302	203,901
Miscellaneous	30,271	82,382	4,115	2,368	58,976	113,059	14,374	33,969	10,402	8,628
Intermediate Sources	-	-	-	-	-	-	-	-	-	-
State Sources	2,155,633	2,008,197	2,183,400	1,687,075	1,591,033	1,400,054	1,642,988	1,623,317	1,932,374	1,849,198
Federal Sources	151,595	154,023	194,574	168,737	280,943	168,754	178,621	118,562	187,061	217,116
<b>Total Revenues</b>	<b>10,258,536</b>	<b>9,801,970</b>	<b>10,121,161</b>	<b>9,591,295</b>	<b>9,533,714</b>	<b>9,114,328</b>	<b>8,863,121</b>	<b>8,703,396</b>	<b>8,778,312</b>	<b>8,754,549</b>
<b>Expenditures:</b>										
Instruction:										
Regular	2,622,188	2,505,340	2,368,660	2,416,083	2,522,970	2,557,595	2,549,097	2,398,642	2,332,754	2,342,562
Special Education	907,768	887,509	862,204	894,437	751,280	697,502	740,601	744,008	743,445	580,443
Other Special Education	174,488	159,881	187,410	200,631	186,254	173,287	210,342	219,288	202,322	235,800
Other Instruction	96,169	74,182	86,401	83,870	80,296	81,561	78,305	75,668	128,553	63,964
Support Services:										
Tuition	193,850	150,925	217,694	63,464	104,569	112,101	96,705	184,945	73,527	57,738
Student and Instructional Related Services	1,122,877	1,367,410	1,101,262	926,936	1,002,375	918,932	894,247	951,646	919,320	849,620
General and Business Administration Services	491,603	565,113	518,365	427,562	436,684	452,659	445,561	456,782	439,463	445,414
School Administrative Services	41,100	-	39,922	187,931	183,440	183,339	201,904	199,468	193,873	105,838
Plant Operations and Maintenance	663,821	634,232	752,098	649,672	592,263	658,958	576,893	596,276	633,856	563,709
Pupil Transportation	397,360	415,877	425,403	335,094	344,846	343,301	291,536	371,696	360,142	291,102
Employee Benefits	2,531,927	2,362,208	2,207,157	2,355,645	2,119,590	1,915,191	1,841,880	1,725,228	1,956,807	1,794,024
Capital Outlay	387,061	923,766	229,588	275,747	295,889	327,452	106,961	524,881	194,405	1,474,731
Debt Service:										
Interest and Other Charges	117,287	125,575	137,063	150,142	162,559	173,528	182,713	371,221	381,281	390,670
Principal	410,000	195,000	373,739	329,151	314,782	305,724	256,864	3,860,280	249,751	236,420
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>10,157,499</b>	<b>10,367,018</b>	<b>9,506,966</b>	<b>9,296,565</b>	<b>9,097,797</b>	<b>8,901,130</b>	<b>8,473,609</b>	<b>12,680,029</b>	<b>8,809,499</b>	<b>9,432,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,037	(565,048)	614,195	294,730	435,917	213,198	389,512	(3,976,633)	(31,187)	(677,486)

DELAWARE TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Other Financing Sources (Uses):</b>										
Transfers In	\$ (75,473)	\$ 78,671	\$ (537,410)	\$ -	\$ -	-	45,000	63,463	77,606	48,862
Transfers Out	75,473	(78,671)	537,410	-	-	-	(45,000)	(63,463)	(77,606)	(48,862)
Proceeds of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 101,037	\$ (565,048)	\$ 614,195	\$ 294,730	\$ 435,917	\$ 213,198	\$ 389,512	\$ (3,976,633)	\$ (31,187)	\$ (677,486)
Debt service as a percentage of noncapital expenditures	5.40%	3.39%	5.51%	5.31%	5.42%	5.59%	5.25%	34.81%	7.32%	7.88%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.



DELAWARE TOWNSHIP BOARD OF EDUCATION  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Miscellaneous Revenue
2016	\$ 20,818
2015	48,843
2014	4,115
2013	2,368
2012	58,976
2011	113,059
2010	14,374
2009	33,969
2008	10,402
2007	8,628

Source: District records

***REVENUE CAPACITY***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Year Ended June 30,	Total Total Assessed Value	Less: Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2016	\$ 795,305,830	N/A	N/A	\$ 795,305,830	\$ 880,978,900	N/A
2015	790,769,720	N/A	N/A	790,769,720	828,840,956	N/A
2014	785,646,820	N/A	N/A	785,646,820	821,549,020	N/A
2013	910,213,620	N/A	N/A	910,213,620	956,408,133	N/A
2012	909,300,020	N/A	N/A	909,300,020	1,006,096,927	N/A
2011	904,532,341	N/A	N/A	904,532,341	1,007,832,796	N/A
2010	903,131,420	N/A	N/A	903,131,420	1,002,365,616	N/A
2009	896,606,420	N/A	N/A	896,606,420	1,041,475,688	N/A
2008	891,389,319	N/A	N/A	891,389,319	1,049,784,418	N/A
2007	888,197,519	N/A	N/A	888,197,519	920,327,151	N/A

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 the County Board of Taxation requests Treasury to order a reassessment

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**N/A** At the time of CAFR completion, this data was not yet available

DELAWARE TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(rate per \$100 of assessed value)

Year Ended December 31,	Delaware School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Municipality of Delaware	Hunterdon County	
2016	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A

**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.

**N/A** At the time of CAFR completion, this data was not yet available

**From Old J-5:**

ASSESSMENT YEAR	DELAWARE TOWNSHIP SCHOOL DISTRICT	DELAWARE TOWNSHIP	MUNICIPAL OPEN SPACE	COUNTY OPEN SPACE	HUNTERDON CENTRAL REGIONAL HIGH SCHOOL	COUNTY	COUNTY LIBRARY	Total
2016	0.991	0.369	0.060	0.034	0.686	0.345	0.035	2.52
2015	0.972	0.347	0.060	0.034	0.667	0.347	0.035	2.46
2014	0.983	0.309	0.059	0.035	0.636	0.346	0.035	2.40
2013	0.849	0.253	0.060	0.031	0.562	0.309	0.032	2.10
2012	0.841	0.243	0.060	0.033	0.540	0.324	0.028	2.07
2011	0.806	0.232	0.059	0.034	0.581	0.321	0.027	2.06
2010	0.781	0.233	0.060	0.036	0.595	0.325	0.029	2.06
2009	0.767	0.222	0.060	0.036	0.598	0.328	0.029	2.04
2008	0.692	0.206	0.034	0.031	0.581	0.309	0.026	1.88
2007	0.688	0.179	0.040	0.030	0.534	0.308	0.025	1.80

**Source: Municipal Audits**

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Taxed Assessed Value	
	2016	2007
Texas Eastern Transmission Corp.	\$ 3,426,400	\$ 2,590,800
Trap Rock Industries, Inc.	3,173,800	3,497,000
Holly Farm Partners	2,720,900	
Cane Poultry Farm, Inc.	2,442,700	2,452,400
Hendersen, Jane E.	-	1,792,100
Befeler, David & Sheila Buchblinder	2,222,000	2,430,000
Byrom, Roger	2,122,600	
Feary, Vaughan M.	1,921,900	-
To, Choshi & Anthony D Chell	1,788,800	
Hullin, Tod R. & Susan L.	1,768,000	1,648,800
Tulach Mhoir LLC	1,711,300	1,937,600
Davis, Ott H. & Carolyne K.	-	1,832,200
Kean, Stewart	-	1,644,200
Skeuse-Hart, Carol	-	1,611,300
<b>Total</b>	<b>\$ 23,298,400</b>	<b>\$ 21,436,400</b>

**Source:** Municipal Tax Assessor

DELAWARE TOWNSHIP BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 19,191,550	n/a	0.00%	N/A
2015	19,483,590	n/a	0.00%	N/A
2014	18,910,957	n/a	0.00%	N/A
2013	19,188,246	18,568,405	96.77%	N/A
2012	18,765,816	18,465,115	98.40%	N/A
2011	18,630,926	18,077,112	97.03%	N/A
2010	18,647,744	18,440,908	98.89%	N/A
2009	18,369,999	18,160,970	98.86%	N/A
2008	16,943,988	16,706,439	98.60%	N/A
2007	15,957,364	15,687,428	98.31%	N/A

**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.

**N/A** At the time of CAFR completion, this data was not yet available

***DEBT CAPACITY***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Bond		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Capital Leases	Anticipation Notes (BANS)	Capital Leases	Capital Leases				
2016	\$ 2,440,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,440,000	0.00%	\$ -	
2015	3,000,000	-	-	-	-	-	-	3,000,000	0.00%	-	
2014	3,045,000	-	-	-	-	-	-	3,045,000	0.00%	-	
2013	3,418,739	-	-	-	-	-	-	3,418,739	0.00%	-	
2012	3,747,890	-	-	-	-	-	-	3,747,890	0.00%	-	
2011	4,062,673	-	-	-	-	-	-	4,062,673	0.00%	-	
2010	4,368,397	-	-	-	-	-	-	4,368,397	0.00%	-	
2009	4,625,261	-	-	-	-	-	-	4,625,261	0.00%	-	
2008	8,485,542	-	12,967	-	-	-	-	8,498,509	0.00%	-	
2007	8,735,293	-	25,885	-	-	-	-	8,761,178	0.00%	-	

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

- a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding.



DELAWARE TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>a</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 2,440,000	\$ -	\$ 2,440,000	0.29%	\$ -
2015	3,000,000	-	3,000,000	0.37%	-
2014	3,045,000	-	3,045,000	0.32%	-
2013	3,418,739	-	3,418,739	0.34%	-
2012	3,747,890	-	3,747,890	0.37%	-
2011	4,062,673	-	4,062,673	0.41%	-
2010	4,368,397	-	4,368,397	0.42%	-
2009	4,625,261	-	4,625,261	0.44%	-
2008	8,485,542	-	8,485,542	0.92%	-
2007	8,735,293	-	8,735,293	0.00%	-

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

- a** See J-6 for property tax data.
- b** Population data can be found in J-14.

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF JUNE 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Delaware Township Municipality	\$ 8,339,000	0.884%	\$ 73,717
Hunterdon County General Obligation Debt	N/A	0.000%	N/A
Other Debt			
Municipal Water Authority - Delaware township District's Share	N/A	0.000%	N/A
Subtotal, Overlapping Debt			73,717
<b>Delaware Township District Direct Debt</b>			N/A
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 73,717</u></u>

**Source:** Assessed value data used to estimate applicable percentages provided by the Hunterdon County Board of Taxation.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Delaware Township. 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, for 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.

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2016 \$ 881,698,419	
2015 942,872,600	
2014 910,213,620	
<u>\$ 2,734,784,639</u>	
Average Equalized Valuation of Taxable Property	\$ 911,594,880
Debt Limit (4% of Average Equalization Value)	36,463,795 <sup>a</sup>
Total Net Debt Applicable To Limit	2,440,000
Legal Debt Margin	<u>\$ 34,023,795</u>

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 36,463,795	\$ 37,774,686	\$ 38,250,414	\$ 38,593,950	\$ 39,413,678	\$ 24,593,154	\$ 22,110,313	\$ 16,031,030	\$ 21,514,240	\$ 16,060,465
Total Net Debt Applicable to Limit	2,440,000	3,000,000	3,045,000	3,418,739	3,747,890	4,062,673	4,368,397	4,625,261	8,485,542	8,735,293
Legal Debt Margin	<u>\$ 34,023,795</u>	<u>\$ 34,774,686</u>	<u>\$ 35,205,414</u>	<u>\$ 35,175,211</u>	<u>\$ 35,665,788</u>	<u>\$ 20,530,481</u>	<u>\$ 17,741,916</u>	<u>\$ 11,405,769</u>	<u>\$ 13,028,698</u>	<u>\$ 7,325,172</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	6.69%	7.94%	7.96%	8.86%	9.51%	16.52%	19.76%	28.85%	39.44%	54.39%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2016	4,563	\$ 87,100	\$ 48,700	N/A
2015	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	3.10%
2007	4,669	N/A	N/A	3.70%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**N/A** At the time of CAFR completion, this data was not yet available

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Company	N/A		N/A	N/A		N/A
Individual	N/A		N/A	N/A		N/A
	-		0.00%	-		0.00%

Source: \_\_\_\_\_

**N/A** At the time of CAFR completion, this data was not yet available

***OPERATING INFORMATION***

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	35	35	34	34	35	35	36	36	36	34
Special Education	9	10	7	7	7	7	8	8	6	6
Other Special Education	4	4	4	4	4	4	4	4	3	3
Other Instruction	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Support Services:										
Tuition	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Student and Instruction Related Services	10	10	13	13	13	13	14	14	9	8
General and Business Administration Services	4	4	4	4	4	4	4	4	4	4
School Administrative Services	2	2	2	2	3	3	3	3	3	3
Plant Operations and Maintenance	5	5	5	5	5	5	5	5	5	6
Pupil Transportation	1	1	6	6	6	6	7	8	8	10
Special Schools	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Food Service	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>70</b>	<b>71</b>	<b>75</b>	<b>75</b>	<b>77</b>	<b>77</b>	<b>81</b>	<b>82</b>	<b>74</b>	<b>74</b>

**Source:** District Personnel Records

**N/A** At the time of CAFR completion, this data was not yet available



DELAWARE TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2016	404	\$ 9,243,151	\$ 22,879	-2.44%	49	1:18	N/A	400.16	380.78	-2.71%	95.16%	
2015	389	9,122,677	23,452	9.95%	45	1:18	N/A	411	396	0.73%	96.35%	
2014	411	8,766,576	21,330	2.39%	48	1:18	N/A	408	424	-5.88%	103.92%	
2013	410	8,541,525	20,833	8.11%	45	1:19	N/A	432	456	-10.88%	105.56%	
2012	432	8,324,567	19,270	10.22%	43	1:19	N/A	479	439	4.38%	91.65%	
2011	463	8,094,426	17,483	5.20%	86	1:10	N/A	458	458	-4.80%	100.00%	
2010	477	7,927,071	16,619	-3.94%	89	1:10	N/A	480	N/A	-0.42%	0.00%	
2009	458	7,923,647	17,301	4.01%	83	1:10	N/A	482	N/A	-5.81%	0.00%	
2008	480	7,984,062	16,633	9.37%	83	N/A	N/A	510	500	-2.55%	98.04%	
2007	482	7,330,214	15,208	0.00%	N/A	N/A	N/A	523	497	-0.19%	95.03%	

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>District Building</b>										
<u>Elementary</u>										
Delaware Township School (Year)										
Square Feet	91,575	91,575	91,575	91,575	91,575	91,575	91,575	91,575	91,575	91,575
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	379	389	410	432	463	477	458	480	482	510
<u>Other</u>										
Garage (2013)	1,200	1,200	1,200	1,200	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet										

Number of Schools at June 30, 2016  
 Elementary = 1  
 Other = \_\_\_\_\_

**Source: District Facilities Office**

Note: Increases in square footage and capacity are the result of and additions.  
 Enrollment is based on the annual October District count.

**N/A** At the time of CAFR completion, this data was not yet available

DELAWARE TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS

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

* School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Delaware Township	N/A	\$ (75,501)	\$ (419,912)	\$ 512,775	\$ 222,999	\$ 197,766	\$ 209,042	\$ 182,142	\$ 153,952	\$ 173,875	\$ 186,635
Other		-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>\$ (75,501)</b>	<b>\$ (419,912)</b>	<b>\$ 512,775</b>	<b>\$ 222,999</b>	<b>\$ 197,766</b>	<b>\$ 209,042</b>	<b>\$ 182,142</b>	<b>\$ 153,952</b>	<b>\$ 173,875</b>	<b>\$ 186,635</b>

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

Source: District records

DELAWARE TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

<b><u>Public Employees' Faithful Performance Blanket Position Bond</u></b>	School Alliance Insurance Fund	Deductible
Business Administrator/School Board Secretary	175,000	
<b><u>Joint Insurance Package Policy</u></b>	School Alliance Insurance Fund	
<b>Property:</b>		
Blanket Building and Contents (fund limit)	\$ 250,000,000	\$ 2,500
Builders Risk	25,000,000	2,500
Automobile Physical Damage	In Blanket Limit	1,000
Electronic Data Processing Equipment	In Blanket Limit	2,500
Accounts Receivable	2,500,000	2,500
<b>Comprehensive General and Automobile Liability:</b>		
Comprehensive General Liability	5,000,000	
Employee Benefit Liability	5,000,000	1,000
Business Automobile Liability	5,000,000	
Worker's Compensation	Statutory Limits	
Supplemental Worker's Compensation*	Compensation Difference	
School Board Legal Liability	\$ 5,000,000 / \$ 5,000,000*	
Excess Liability (Excludes School Board Legal Liability)	5,000,000	

\*Changes in Prior Coverage

***SINGLE AUDIT SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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*Union, New Jersey 07083*

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K-1  
Page 1

**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**

Honorable President and  
Members of the School District  
Delaware Township Board of Education  
County of Hunterdon  
Sergeantsville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with 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 Delaware Township Board of Education (School District), in the County of Hunterdon, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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, and have issued our report thereon dated December 5, 2016.

**Internal Control over Financial Reporting**

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter 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.

We also noted other matters that we reported to the Board of Trustees of the Delaware Township Board of Education in a separate report entitled, Auditor's Management Report on Administrative Findings dated December 5, 2016.

### **Purpose of This Report**

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



BARRE & COMPANY  
Certified Public Accountants  
Public School Accountants



Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 5, 2016

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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K-2  
Page 1

**Independent Auditor’s Report on Compliance for Each State Program;  
Report on Internal Control over Compliance; and Report on the  
Schedule of Expenditures of State Financial Assistance Required by  
New Jersey OMB 15-08**

Honorable President and  
Members of the School District  
Delaware Township Board of Education  
County of Hunterdon  
Sergeantsville, New Jersey

**Report on Compliance for Each Major State Program**

***Report on Compliance for Each Major Federal and State Program***

We have audited the Delaware Township Board of Education’s compliance with the types of compliance requirements described in the New Jersey Compliance Manual “State Grant Compliance Supplement” that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016. The Delaware Township Board of Education’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***

The School District’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey’s OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

### ***Opinion on Each Major State Program***

In our opinion, the Delaware Township Board of Education, in the County of Hunterdon, 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 state programs for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of Delaware Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we 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 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 state program and to test and report on internal control over compliance in accordance with Uniform Compliance and NJOMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


### ***Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08***


We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Delaware Township Board of Education, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated December 5, 2016, which contained

unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material aspects in relation to the basic financial statements as a whole.

### **Purpose of This Report**

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

  
BARRE & COMPANY  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 5, 2016

DELAWARE TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2016	
												Accounts Receivable	Deferred Revenue
<b>U.S. Department of Education</b>													
Passed-through State Department of Education													
Special Education Fund:													
No Child Left Behind Cluster:													
Title I Part A	84.010A	S010A150030	NCLB - 1040 - 16	\$ 16,770	7/1/15	6/30/16	\$ -	\$ 5,164	\$ (16,770)	\$ -	\$ -	\$ (11,576)	\$ -
Title II Part A	84.387A	S387A150029	NCLB - 1040 - 16	7,769	7/1/15	6/30/16	-	7,533	(7,769)	-	-	(436)	-
Total No Child Left Behind Cluster				24,539			12,527	(24,539)				(12,012)	
Individuals with Disabilities Cluster:													
I.D.E.A. Part B Basic	84.027	H027A150010	IDEA - 1040 - 16	86,724	7/1/15	6/30/16	86,724	(86,724)					
I.D.E.A. Preschool	84.173	H173A150114	IDEA - 1040 - 16	6,093	7/1/15	6/30/16	6,093	(6,093)					
Total Individuals with Disabilities Cluster				92,817			92,817	(92,817)					
Other Special Revenue Funds:													
Rural Education Achievement Program Gra	84.358A	S358A150030	S358A151830	34,239	7/1/15	6/30/16	34,239	(34,239)					
Total Other Special Revenue Funds				34,239			34,239	(34,239)					
Total Special Revenue Fund				139,583			(151,595)	(12,012)					
<b>U.S. Department of Agriculture</b>													
Passed-through State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program	10.555	1616NUS34N1089	N/A	17,291	7/1/15	6/30/16	16,467	(17,331)				(864)	
National School Lunch Program	10.555	1616NUS34N1089	N/A	16,428	7/1/14	6/30/15	1,243						
Total Enterprise Fund				33,719			17,710	(17,331)				(864)	
Sub-Total Federal Financial Awards				157,263			157,263	(168,925)				(12,876)	\$ -

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

DELAWARE TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reimbursement of Prior Year's Balance	Balance at June 30, 2016		Due to Grantor	Budgetary Receivable	MEMO Cumulative Total Expenditures
			From	To	Difference (Accounts Receivable)	Deferred Payable									
<b>State Department of Education</b>															
<i>State Aid-Public Cluster</i>															
Special Education Aid	16-495-034-5120-089	\$ 265,142	7/1/15	6/30/16	\$ -	\$ -	\$ 240,526	\$ (265,142)	\$ -	\$ -	\$ (24,616)	\$ -	\$ -	\$ 24,616	\$ 265,142
Security Aid	16-495-034-5120-089	34,048	7/1/14	6/30/15	(24,542)	-	30,887	(3,161)	(34,048)	-	(3,161)	-	-	3,161	34,048
Adjustment Aid	16-495-034-5120-084	393,911	7/1/14	6/30/16	(3,152)	-	357,341	(58,570)	(393,911)	-	(58,570)	-	-	36,570	393,911
School Choice Aid	15-495-034-5120-068	301,806	7/1/15	6/30/16	(26,461)	-	273,787	(28,019)	(301,806)	-	(28,019)	-	-	28,019	301,806
School Choice Aid	15-495-034-5120-068	275,582	7/1/14	6/30/15	(25,507)	-	25,507	(994,907)	-	-	-	-	-	-	-
<i>Total State Aid-Public Cluster</i>															
Transportation Aid	16-495-034-5120-014	167,799	7/1/15	6/30/16	(15,532)	-	152,221	(15,578)	(167,799)	-	(15,578)	-	-	15,578	167,799
Extraordinary Aid	16-100-010-9350-023	65,073	7/1/15	6/30/16	(6,257)	-	6,257	(65,073)	-	-	(65,073)	-	-	65,073	65,073
Nonpublic School Transportation Costs	16-100-034-5120-068	7,800	7/1/15	6/30/16	-	-	6,884	(5,048)	-	-	(5,048)	-	-	5,048	5,048
Other State Aid	16-495-034-5120-078	7,800	7/1/15	6/30/16	-	-	356,782	(7,600)	-	-	(7,600)	-	-	7,600	7,800
TPAF Post-Retirement Medical Contributions	16-495-034-5095-001	299,635	7/1/15	6/30/16	-	-	299,635	(299,635)	-	-	-	-	-	-	299,635
On-Behalf TPAF Pension Contributions	16-495-034-5095-008	281,366	7/1/15	6/30/16	-	-	248,254	(13,112)	(261,366)	-	(13,112)	-	-	13,112	261,366
Reimbursed TPAF - Social Security	16-495-034-5095-002	-	7/1/15	6/30/16	(111,451)	-	2,077,778	(2,158,210)	-	-	(191,883)	-	-	191,883	2,158,210
<b>Total General Fund</b>															
<b>Enterprise Fund:</b>															
National School Lunch Program (State Share)	16-100-010-9350-023	876	7/1/15	6/30/16	(69)	-	830	(676)	-	-	(46)	-	-	46	876
National School Lunch Program (State Share)	15-100-010-9350-023	763	7/1/14	6/30/15	(69)	-	69	(46)	-	-	(46)	-	-	46	763
<b>Total Enterprise Fund</b>															
<b>Total State Financial Assistance</b>															
<b>State Financial Assistance Not Subject To Major Program Determination:</b>															
TPAF Post-Retirement Medical Contributions	16-495-034-5095-001	356,782	7/1/15	6/30/16	-	-	356,782	(356,782)	-	-	-	-	-	-	356,782
On-Behalf TPAF Pension Contributions	16-495-034-5095-008	299,635	7/1/15	6/30/16	-	-	299,635	(299,635)	-	-	-	-	-	-	299,635
<b>Total State Financial Assistance Subject To Single Audit</b>															
															1,502,669

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

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2016**

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**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Delaware Township School District. The Board of Education is defined in Note 1 to the board'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 is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on 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 board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to School Districts as districts are not permitted to defer the June payments to School Districts.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2016**

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$86,816) for the general fund and none for the special revenue fund. See Notes to the 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 revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	2,158,210	\$ 2,158,210
Special Revenue Fund	151,595	-	151,595
Food Service Fund	17,273	934	18,207
Total Awards & Financial Assistance	<u>\$ 168,868</u>	<u>\$ 2,159,144</u>	<u>\$ 2,328,012</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

Delaware Township Board of Education has no loan balances outstanding at June 30, 2016.

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2016**

**NOTE 6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the school district for the year ended June 30, 2016. 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, 2016.

**NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the School District's basic financial statements and the amount subject to State single audit and major program determination.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district.

Program	Total
Title I, Part A: <i>Improving Basic Programs Operated by Local Education Agencies</i>	\$ 16,770
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	<u>7,769</u>
Total	<u><u>\$ 24,539</u></u>

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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*Section I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditor’s report issued		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified? Reported	_____ Yes	___X___
Noncompliance material to basic financial statements noted?	_____ Yes	___X___ No

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	___X___ Yes	_____ No
Internal Control over major programs:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies that are not considered to be material weaknesses? Reported	_____ Yes	___X___ None
Type of auditor’s report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ Yes	___X___ No

Identification of major state programs:

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
	STATE AID – PUBLIC CLUSTER
16-495-034-5120-089	SPECIAL EDUCATION CATEGORICAL AID
16-495-034-5120-084	SECURITY AID
16-495-034-5120-088	ADJUSTMENT AID
16-495-034-5120-068	SCHOOL CHOICE AID
16-495-034-5095-002	REIMBURSED TPAF SOCIAL SECURITY



**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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***Section II – Financial Statement Findings***

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

No Current Year Findings

***Section III – State Financial Assistance  
Findings and Questioned Costs***

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**DELAWARE TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**STATUS OF PRIOR YEAR FINDINGS**

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 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (.511(a)(b)) and NJOMB's Circular 15-08.

No Prior Year Findings