

**DELAWARE TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2020

**Responsibility of the Management of
Delaware Township School District
Hunterdon County, New Jersey**



Certified Public Accountants, PC

**DELAWARE TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

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DELAWARE TOWNSHIP SCHOOL DISTRICT
501 ROSEMONT ROAD
RINGOES, NEW JERSEY 08557
Phone (609) 397-3179
Fax (609) 397-1485

Richard Weiner
Chief School Administrator

Susan Joyce
Business Administrator/Board Secretary

January 18, 2021

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

The comprehensive annual financial report of the Delaware Township School District for the fiscal year ended June 30, 2020, 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 District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introduction, Financial, Statistical and Single Audit. The Introduction Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general-purpose financial schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

Delaware Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Delaware Township School District and the school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through eight. This includes regular, as well as special education for special need students. The District completed the 2019-2020 Fiscal Year with an enrollment of 378 students. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u> <u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	458.0	-4.58%
2011-2012	479.0	4.59%
2012-2013	432.0	-9.81%
2013-2014	408.0	-5.56%
2014-2015	411.0	0.74%
2015-2016	400.2	-2.63%
2016-2017	384.2	-4.16%
2017-2018	389.0	1.01%
2018-2019	372.9	-4.14%
2019-2020	375.4	0.67%

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; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is also subject to periodic evaluation by the District Management.

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

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 balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

4) ACCOUNTING SYSTEM AND REPORTS:

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

5) FINANCIAL INFORMATION AT FISCAL YEAR-END:

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 for the fiscal year ended June 30, 2020.

6) DEBT ADMINISTRATION:

At June 30, 2020, the District had outstanding debt issues of \$1,045,000 at an interest rate of 4.00%.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protect from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted to protect Governmental Units from a loss of Funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

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

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to single audit are included in the single audit section of this report.

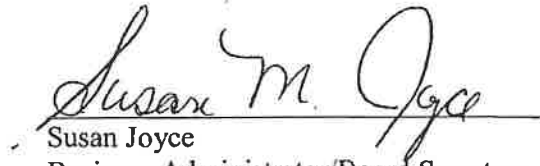
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of Delaware Township School Board 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 services of our financial staff.

Respectfully submitted,

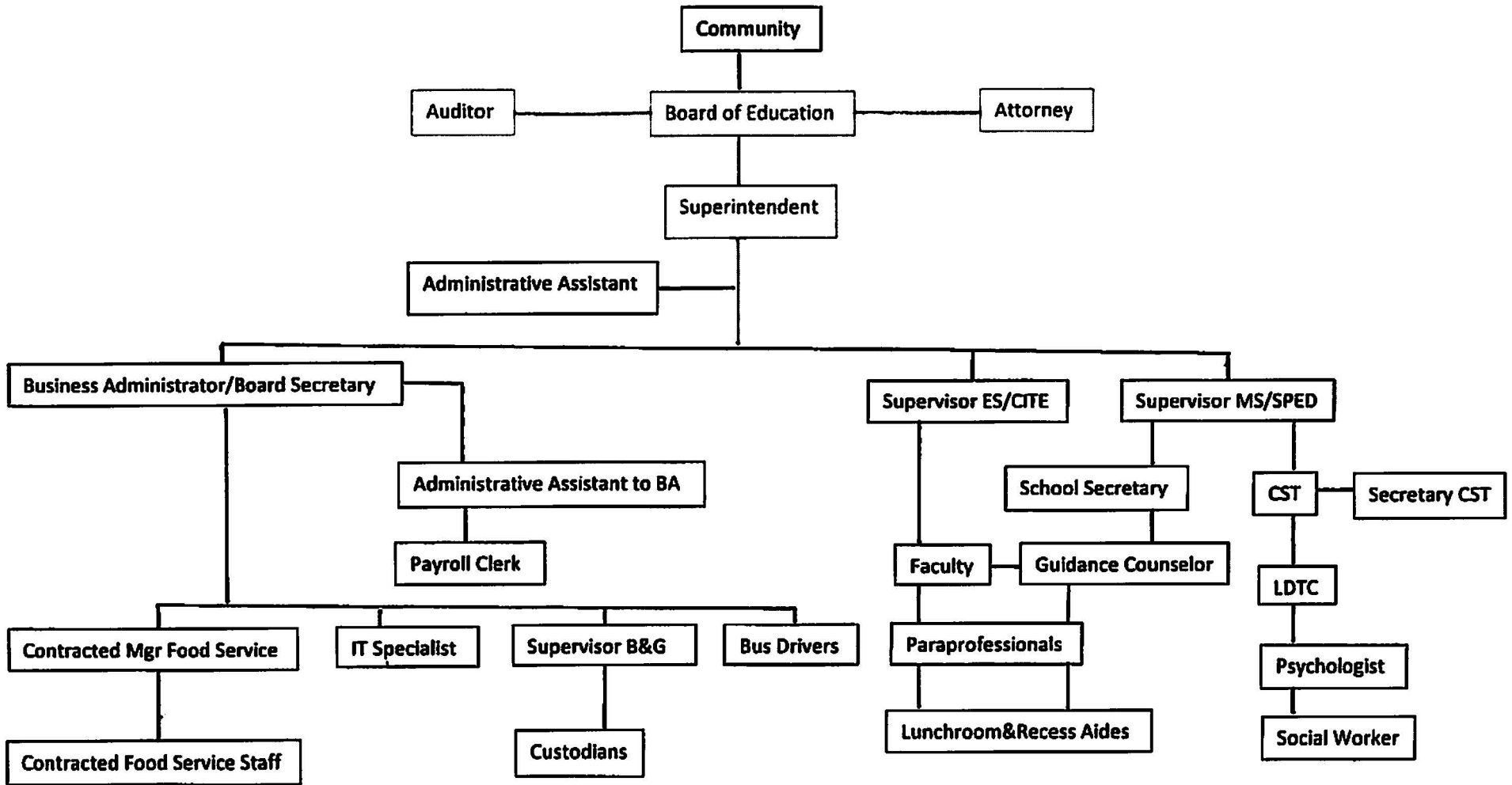


Richard Weiner
Chief School Administrator



Susan Joyce
Business Administrator/Board Secretary

Delaware Township Board of Education Organizational Chart



JUNE 2016

DELAWARE TOWNSHIP SCHOOL DISTRICT
Delaware, New Jersey
Roster of Officials
June 30, 2020

Members of the Board of Education	Title	Term Expires
Catherine Pouria	President	2022
Kristen Devlin	Vice-President	2020
Rebecca Burns		2021
Stephanie Dunn		2022
Tate Hoffman		2021
Laura Hornby		2020
Mary Lyons		2021
Anne May		2020
Joseph Ponzio		2022

Other Officials	Title
Dr. Richard Wiener	Superintendent
Susan Joyce	Board Secretary/School Business Administrator
Kathy Racile	Supervisor
Patricia Pillon	Supervisor

DELAWARE TOWNSHIP SCHOOL DISTRICT
Delaware, New Jersey
Consultants and Advisors
June 30, 2020

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ARCHITECT

Gianforcaro
555 East Main Street
Suite One
Chester, NJ 07930

ATTORNEY

Comegno Law Group
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Fogarty & Hara, ESQS.
21-00 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORY

Provident Bank
250 Madison Ave
Morristown, NJ 07960



Certified Public Accountants, PC

www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Delaware Township School District
County of Hunterdon, 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 Delaware Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2020, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction and statistical sections have not been subject 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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

January 18, 2021
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of the Delaware Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position increased \$1,219,504 which represents a 13.17% increase from 2019.
- General revenues accounted for \$12,537,596, or 97.13% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$370,966 or 2.87% of total revenues of \$12,908,562.
- Total assets of governmental activities increased by \$3,438,508 as cash and cash equivalents increased by \$2,039,156 receivables and other assets increased by \$2,987 and capital assets increased by \$1,396,365.
- The School District had \$11,689,058 in expenses; only \$370,966 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,537,596 were adequate to provide for these programs.
- The general fund had \$10,838,163 in revenues and net transfers in and \$10,520,802 in expenditures. The general fund's balance increased \$317,361 over 2019.

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 the Delaware Township School District as a financially whole 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. In the case of the Delaware Township School District, the general fund is by far the most significant fund.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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 asks the question, "How did we do financially during fiscal year 2019-2020?" 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 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 reports governmental and business activities. Governmental activities are the activities where most of the School District's programs and services are reported, including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Business activities are the services provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The food service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major 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 measure and report the operating results by measuring cash on hand and other assets that

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

can be easily 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 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 is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position at June 30, 2020 compared to June 30, 2019.

Table 1
Net Position

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 7,057,731	\$ 5,023,716	\$ 2,034,015	40.49%
Capital assets	9,022,513	7,626,298	1,396,215	18.31%
Total assets	<u>16,080,244</u>	<u>12,650,014</u>	<u>3,430,230</u>	27.12%
Deferred pension activity				
Total deferred outflow of resources	<u>479,879</u>	<u>626,751</u>	<u>(146,872)</u>	-23.43%
Liabilities				
Long-term liabilities	5,087,382	2,885,071	2,202,311	76.33%
Other liabilities	<u>56,353</u>	<u>33,368</u>	<u>22,985</u>	68.88%
Total liabilities	<u>5,143,735</u>	<u>2,918,439</u>	<u>2,225,296</u>	76.25%
Deferred pension activity				
Total deferred inflow of resources	<u>937,075</u>	<u>1,098,517</u>	<u>(161,442)</u>	-14.70%
Net position				
Net investment in capital assets	5,667,513	6,581,298	(913,785)	-13.88%
Restricted	6,458,379	4,611,088	1,847,291	40.06%
Unrestricted	<u>(1,646,579)</u>	<u>(1,932,577)</u>	<u>285,998</u>	14.80%
Total net position	<u>\$ 10,479,313</u>	<u>\$ 9,259,809</u>	<u>\$ 1,219,504</u>	13.17%

Total assets increased by \$3,430,230. Cash and cash equivalents increased by \$2,026,988, receivables and other assets increased by \$7,027 and capital assets increased by \$1,396,215. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District, increased by \$285,998.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2020 compared to June 30, 2019.

Table 2
Changes in Net Position

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 207,390	\$ 235,031	\$ (27,641)	-11.76%
Operating grants & contributions	163,576	190,157	(26,581)	-13.98%
General revenues				
Property taxes	8,806,417	8,542,260	264,157	3.09%
Unrestricted grants	3,680,080	4,273,176	(593,096)	-13.88%
Other	51,099	88,405	(37,306)	-42.20%
Total revenues	<u>12,908,562</u>	<u>13,329,029</u>	<u>(420,467)</u>	<u>-3.15%</u>
Expenses				
Instruction				
Regular	5,469,777	5,881,420	(411,643)	-7.00%
Special	1,562,766	1,441,043	121,723	8.45%
Other	270,191	553,402	(283,211)	-51.18%
Support services				
Tuition	240,978	233,092	7,886	3.38%
Student & instructional related services	1,728,052	1,584,472	143,580	9.06%
General & business administration	703,742	902,091	(198,349)	-21.99%
School administration	129,154	133,910	(4,756)	-3.55%
Maintenance	952,823	832,754	120,069	14.42%
Transportation	443,576	425,869	17,707	4.16%
Food service	100,954	106,325	(5,371)	-5.05%
Interest on long term debt	87,045	84,828	2,217	2.61%
Total expenses	<u>11,689,058</u>	<u>12,179,206</u>	<u>(490,148)</u>	<u>-4.02%</u>
Increase (decrease) in net position before special item	1,219,504	1,149,823	69,681	6.06%
Special item				
Gain/(loss) on disposal of assets	-	(1,572)	1,572	-100.00%
Increase (decrease) in net position	<u>\$ 1,219,504</u>	<u>\$ 1,148,251</u>	<u>\$ 71,253</u>	<u>6.21%</u>

* = Undefined

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Governmental Activities

Property taxes made up 68.22% of revenues for district-wide activities for the Delaware Township School District for fiscal year 2020.

Instruction comprises 62.47% of district expenses. Support services expenses make up 37.53% of district expenses.

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.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/20	06/30/19	06/30/20	06/30/19
Instruction	\$ 7,302,734	\$ 7,875,865	\$ 7,157,586	\$ 7,705,596
Support services				
Tuition	240,978	233,092	198,609	184,634
Student & instructional staff	1,728,052	1,584,472	1,673,725	1,540,171
General & business administration	703,742	902,091	655,742	854,091
School administration	129,154	133,910	129,154	133,910
Plant operations & maintenance	952,823	832,754	951,198	830,254
Pupil transportation	443,576	425,869	443,576	425,869
Food service	100,954	106,325	21,457	(5,335)
Interest on long-term debt	87,045	84,828	87,045	84,828
Total expenses	<u>\$ 11,689,058</u>	<u>\$ 12,179,206</u>	<u>\$ 11,318,092</u>	<u>\$ 11,754,018</u>

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

Pupils and instructional related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation 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 and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenue is apparent. For all activities general revenue support is 97.13%. The community, as a whole, are the primary support for the Delaware Township School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$11,520,883, expenditures of \$12,295,713 and other financing sources of \$2,810,000. The district had proceeds from a bond issuance of \$2,820,000 and a transfer out to the food service fund of \$10,000.

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund.

The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. During the course of the fiscal year 2020, the School District amended its general fund budget as needed for tuition revenue and expenditures of specific special education programs as allowed by law.

For the general fund, budget revenue was \$9,533,040, \$98,039 over original budgeted estimates of \$9,435,001. This difference was due primarily to additional tuition from individuals and other miscellaneous revenues.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Capital Assets

At the end of the fiscal year 2020, the School District had \$9,022,513 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows June 30, 2020 balances compared to June 30, 2019.

Table 4
Capital Assets at Year End (Net of Depreciation)

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Land	\$ 20,000	\$ 20,000	\$ -	0.00%
Construction in progress	1,191,597	35,174	1,156,423	3,287.72%
Land improvements	267,378	287,966	(20,588)	-7.15%
Buildings & improvements	7,386,442	7,114,121	272,321	3.83%
Machinery & equipment	129,391	128,526	(859)	-0.66%
Vehicles	27,705	40,511	(11,082)	-28.57%
	<u>\$ 9,022,513</u>	<u>\$ 7,626,298</u>	<u>\$ 1,396,215</u>	18.31%

Overall capital assets increased \$1,396,215 from fiscal year 2019 to fiscal year 2020. Increases in capital assets of \$1,889,577 were offset by depreciation expenses of \$493,362. The School District used proceeds from a bond issuance and transfers from capital reserve to finance several building renovation projects.

Long-term liabilities

At June 30, 2020, the School District had \$5,087,382 of long-term liabilities. This amount is detailed in Table 5 below for June 30, 2020 compared to June 30, 2019.

At June 30, 2020, the legal debt limit is \$26,028,241. General obligation debt at June 30, 2020 is \$3,355,000 resulting in a legal debt margin of \$22,673,241.

Table 5
Long-Term Liabilities at Year End

	06/30/20	06/30/19	Variance	
			Dollars	Percent
General obligation bonds	\$ 3,355,000	\$ 1,045,000	\$ 2,310,000	221.05%
Compensated absences	109,209	98,320	10,889	11.08%
PERS net pension liability	1,623,173	1,741,751	(118,578)	-6.81%
	<u>\$ 5,087,382</u>	<u>\$ 2,885,071</u>	<u>\$ 2,202,311</u>	76.33%

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

For the Future

It is the opinion of the Superintendent and Business Administrator that the Delaware Township School District is presently in good financial condition. However, future finances are not without challenges as the State continues to impose unfunded mandates on schools while simultaneously restricting the ability to fiscally manage school budgets.

In conclusion, the Delaware Township School District has committed itself to an excellent system for financial planning, budgeting and internal financial controls. The School District plans to continue its sound fiscal management to meet the challenges 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, please contact Susan Joyce, School Business Administrator at the Delaware Township Board of Education, 501 Rosemont Road, Ringoes, New Jersey 08557 or email at joycesusan@dtsk8.org.

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 SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 401,052	\$ 1,582	\$ 402,634
Receivables, net	177,518	5,568	183,086
Inventory	-	4,950	4,950
Restricted cash and cash equivalents	6,467,061	-	6,467,061
Capital assets, net			
Land	20,000	-	20,000
Construction in progress	1,191,597	-	1,191,597
Other capital assets, net of depreciation	7,809,342	1,574	7,810,916
Total assets	<u>16,066,570</u>	<u>13,674</u>	<u>16,080,244</u>
Deferred outflows of resources			
Deferred amount on pension activity	479,879	-	479,879
Total deferred outflows of resources	<u>479,879</u>	<u>-</u>	<u>479,879</u>
Liabilities			
Accounts payable	13,524	-	13,524
Accrued interest	31,991	-	31,991
Unearned revenue	4,000	6,838	10,838
Long-term liabilities			
Due within one year	543,718	-	543,718
Due beyond one year	4,543,664	-	4,543,664
Total liabilities	<u>5,136,897</u>	<u>6,838</u>	<u>5,143,735</u>
Deferred inflows of resources			
Deferred amount on pension liability	937,075	-	937,075
Net position			
Net investment in capital assets	5,665,939	1,574	5,667,513
Restricted for			
Capital reserve	3,947,473	-	3,947,473
Emergency reserve	175,516	-	175,516
Maintenance reserve	599,988	-	599,988
Capital projects	1,735,402	-	1,735,402
Unrestricted	<u>(1,651,841)</u>	<u>5,262</u>	<u>(1,646,579)</u>
Total net position	<u>\$ 10,472,477</u>	<u>\$ 6,836</u>	<u>\$ 10,479,313</u>

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,812,338	\$ 2,657,439	\$ 103,331	\$ 22,613	\$ -	\$ (5,343,833)	\$ -	\$ (5,343,833)
Special education	679,176	567,196	-	3,500	-	(1,242,872)	-	(1,242,872)
Other special education	163,459	152,935	-	15,704	-	(300,690)	-	(300,690)
Other instruction	90,552	179,639	-	-	-	(270,191)	-	(270,191)
Support services								
Tuition	240,978	-	-	42,369	-	(198,609)	-	(198,609)
Students & instruction related services	1,060,381	667,671	-	54,327	-	(1,673,725)	-	(1,673,725)
General & business administration services	468,242	235,500	48,000	-	-	(655,742)	-	(655,742)
School administration services	75,793	53,361	-	-	-	(129,154)	-	(129,154)
Plant operations & maintenance	830,256	122,567	1,625	-	-	(951,198)	-	(951,198)
Pupil transportation	408,526	35,050	-	-	-	(443,576)	-	(443,576)
Interest on long-term debt	87,045	-	-	-	-	(87,045)	-	(87,045)
Total governmental activities	<u>6,916,746</u>	<u>4,671,358</u>	<u>152,956</u>	<u>138,513</u>	<u>-</u>	<u>(11,296,635)</u>	<u>-</u>	<u>(11,296,635)</u>
Business-type activities								
Food service	100,954	-	54,434	25,063	-	-	(21,457)	(21,457)
Total business-type activities	<u>100,954</u>	<u>-</u>	<u>54,434</u>	<u>25,063</u>	<u>-</u>	<u>-</u>	<u>(21,457)</u>	<u>(21,457)</u>
Total primary government	<u>\$ 7,017,700</u>	<u>\$ 4,671,358</u>	<u>\$ 207,390</u>	<u>\$ 163,576</u>	<u>\$ -</u>	<u>(11,296,635)</u>	<u>(21,457)</u>	<u>(11,318,092)</u>
			General revenues, special items and transfers					
						8,254,617	-	8,254,617
						551,800	-	551,800
						3,680,080	-	3,680,080
						39,431	-	39,431
						11,668	-	11,668
						(10,000)	10,000	-
						<u>12,527,596</u>	<u>10,000</u>	<u>12,537,596</u>
						1,230,961	(11,457)	1,219,504
						9,241,516	18,293	9,259,809
						<u>\$ 10,472,477</u>	<u>\$ 6,836</u>	<u>\$ 10,479,313</u>

See accompanying notes to financial statements.

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.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 401,052	\$ -	\$ -	\$ -	\$ 401,052
Due from other funds	132,105	-	-	-	132,105
Account receivable	6,593	-	-	-	6,593
Receivables from other governments					
State	35,097	-	-	-	35,097
Federal	-	14,883	-	-	14,883
Local	8,405	-	-	-	8,405
Restricted cash and cash equivalents	4,722,977	-	1,744,084	-	6,467,061
Total assets	<u>\$ 5,306,229</u>	<u>\$ 14,883</u>	<u>\$ 1,744,084</u>	<u>\$ -</u>	<u>\$ 7,065,196</u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 10,883	\$ 8,682	\$ -	\$ 19,565
Accounts payable	13,524	-	-	-	13,524
Unearned revenue	-	4,000	-	-	4,000
Total liabilities	<u>13,524</u>	<u>14,883</u>	<u>8,682</u>	<u>-</u>	<u>37,089</u>

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2020

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital projects fund balance	\$ -	\$ -	\$ 829,970	\$ -	\$ 829,970
Excess surplus - designated for subsequent year's expenditures	56,228	-	-	-	56,228
Excess surplus - current year	148,719	-	-	-	148,719
Capital reserve	3,947,473	-	-	-	3,947,473
Emergency reserve	175,516	-	-	-	175,516
Maintenance reserve	599,988	-	-	-	599,988
Committed fund balance					
Encumbrances	151,477	-	905,432	-	1,056,909
Assigned fund balance					
Designated for subsequent year's expenditures	66,669	-	-	-	66,669
Unassigned fund balance	146,635	-	-	-	146,635
Total fund balances	5,292,705	-	1,735,402	-	7,028,107
Total liabilities and fund balances	\$ 5,306,229	\$ 14,883	\$ 1,744,084	\$ -	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$18,435,288 and the accumulated depreciation is \$9,414,349.	9,020,939
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(457,196)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,087,382)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(31,991)
Total net position of governmental activities	\$ 10,472,477

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 8,254,617	\$ -	\$ -	\$ 551,800	\$ 8,806,417
Tuition charges					
Individuals	103,331	-	-	-	103,331
Interest on investments	39,431	-	-	-	39,431
Miscellaneous	61,293	500	-	-	61,793
Total local sources	<u>8,458,672</u>	<u>500</u>	<u>-</u>	<u>551,800</u>	<u>9,010,972</u>
State sources	2,371,898	-	-	-	2,371,898
Federal sources	-	138,013	-	-	138,013
Total revenues	<u>10,830,570</u>	<u>138,513</u>	<u>-</u>	<u>551,800</u>	<u>11,520,883</u>
Expenditures					
Current					
Instructional					
Regular instruction	2,795,907	16,431	-	-	2,812,338
Special education instruction	675,676	3,500	-	-	679,176
Other special instruction	147,755	15,704	-	-	163,459
Other instruction	90,552	-	-	-	90,552
Support service & undistributed costs					
Tuition	198,609	42,369	-	-	240,978
Student & instruction related services	1,006,054	54,327	-	-	1,060,381
General & business administrative services	468,242	-	-	-	468,242
School administrative services	75,793	-	-	-	75,793
Plant operations & maintenance	830,256	-	-	-	830,256
Pupil transportation	408,526	-	-	-	408,526
Unallocated benefits	2,992,223	-	-	-	2,992,223

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 798,797	\$ 6,182	\$ 1,084,598	\$ -	\$ 1,889,577
Debt service					
Principal	-	-	-	510,000	510,000
Interest & other charges	32,412	-	-	41,800	74,212
Total expenditures	<u>10,520,802</u>	<u>138,513</u>	<u>1,084,598</u>	<u>551,800</u>	<u>12,295,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>309,768</u>	<u>-</u>	<u>(1,084,598)</u>	<u>-</u>	<u>(774,830)</u>
Other financing sources (uses)					
Proceeds from bond issuance	-	-	2,820,000	-	2,820,000
Transfers	7,593	-	(17,593)	-	(10,000)
Total other financing sources (uses)	<u>7,593</u>	<u>-</u>	<u>2,802,407</u>	<u>-</u>	<u>2,810,000</u>
Net change in fund balance	317,361	-	1,717,809	-	2,035,170
Fund balances, July 1	<u>4,975,344</u>	<u>-</u>	<u>17,593</u>	<u>-</u>	<u>4,992,937</u>
Fund balances, June 30	<u>\$ 5,292,705</u>	<u>\$ -</u>	<u>\$ 1,735,402</u>	<u>\$ -</u>	<u>\$ 7,028,107</u>

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Total net changes in fund balances - governmental fund (from B-2) \$ 2,035,170

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceed depreciation in the period:

Capital outlays	\$ 1,889,577	
Depreciation expense	<u>(493,212)</u>	1,396,365

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Debt principal payments	510,000
-------------------------	---------

Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

133,148

Government funds report bond proceeds as financing sources whereas issuing debt increases long-term liabilities in the government-wide statements

(2,820,000)

DELAWARE TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2020

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. \$ (12,833)

In the Statement of Activities, compensated absences and early retirement benefits 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. (10,889)

Change in net position of governmental activities \$ 1,230,961

DELAWARE TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2020

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 1,582
Receivables from other governments	
State	281
Federal	5,287
Inventory	4,950
Total current assets	12,100
Noncurrent assets	
Capital assets	130,319
Less: accumulated depreciation	128,745
Total noncurrent assets	1,574
Total assets	13,674
Liabilities	
Current liabilities	
Unearned revenues - commodities	2,226
Unearned revenues - prepaid sales	4,612
Total liabilities	6,838
Net position	
Net investment in capital assets	1,574
Unrestricted	5,262
Total net position	\$ 6,836

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 30,355
Daily sales - non-reimbursable programs	24,079
Total operating revenues	54,434
Operating expenses	
Cost of sales - reimbursable programs	20,677
Cost of sales - non-reimbursable programs	17,077
Commodity food costs	9,676
Salaries	19,738
Support services - employee benefits	2,710
Purchased professional/technical services	1,238
Purchased property services	14,338
Other purchased services	
Insurance	2,774
Management fee	8,180
Supplies and materials	3,628
Depreciation	150
Miscellaneous expenditures	768
Total operating expenses	100,954
Operating income (loss)	(46,520)
Non-operating revenues (expenses)	
State sources	
State school lunch program	676
Federal sources	
National school lunch program	
Cash assistance	14,666
Non cash assistance- commodities	9,676
Miscellaneous	45
Total non-operating revenues (expenses)	25,063
Other financing sources	
Operating transfer in	10,000
Change in net position	(11,457)
Net position, beginning	18,293
Net position, ending	\$ 6,836

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 56,775
Payments to Food Service Management Company	(74,356)
Payments to vendors (net)	(18,149)
Net cash provided by (used for) operating activities	(35,730)
Cash flows from non-capital financing activities	
State sources	587
Federal sources	12,930
Miscellaneous	45
Operating transfer in	10,000
Net cash provided by (used for) noncapital financing activities	23,562
Net increase (decrease) in cash and cash equivalents	(12,168)
Cash and cash equivalents, beginning	13,750
Cash and cash equivalents, ending	\$ 1,582
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (46,520)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	150
Federal food donation program	9,676
Increase (decrease) in accounts payable	(199)
(Increase) decrease in inventory	(2,215)
Increase (decrease) in unearned revenue	3,378
Net cash provided by (used for) operating activities	\$ (35,730)

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund
Assets				
Cash and cash equivalents	\$ 97,083	\$ 881	\$ 27,776	\$ 122,685
Total assets	<u>\$ 97,083</u>	<u>\$ 881</u>	<u>\$ 27,776</u>	<u>\$ 122,685</u>
Liabilities				
Due to student groups	\$ -	\$ -	\$ 27,776	\$ -
Accounts payable	1,179	-	-	-
Due to other funds	-	-	-	112,540
FSA Section 125 plan	-	-	-	9,694
Payroll deductions and withholdings	-	-	-	451
Total liabilities	<u>1,179</u>	<u>-</u>	<u>\$ 27,776</u>	<u>\$ 122,685</u>
Net position				
Held in trust for unemployment claims and other purposes	<u>\$ 95,904</u>	<u>\$ 881</u>		

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Employee contributions	\$ 7,848	\$ -
Investment earnings - interest	505	4
Total additions	<u>8,353</u>	<u>4</u>
 Deductions		
Unemployment claims	11,490	-
Scholarship awards	-	75
Total deductions	<u>11,490</u>	<u>75</u>
 Change in net position	 (3,137)	 (71)
 Net position, beginning of the year	 <u>99,041</u>	 <u>952</u>
 Net position, end of the year	 <u>\$ 95,904</u>	 <u>\$ 881</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Delaware Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2020 of 376 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

As required by the New Jersey 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 finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those 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.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the special revenue fund.

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.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are 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.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Equipment	12 Years
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Fiduciary fund types

Trust and Agency Funds - This fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the trust and agency funds of the District.

Private Purpose Scholarship Fund - This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

D. 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 and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 unearned revenues at fiscal year-end.

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2019-2020 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

Short-term interfund receivables and payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, 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. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement Number 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

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

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amount on pension activity and deferred amount on refunding bond issue. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 2020, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2020, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 500,000
Insured by GUDPA	6,965,974
Total bank balances	\$ 7,465,974

Deposits at June 30, 2020 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>Ref.</u>	\$ 7,118,120
Unrestricted cash and cash equivalents			
Governmental funds, Balance Sheet	B-1		\$ 401,052
Enterprise funds, Statement of Net Position	B-4		1,582
Fiduciary funds, Statement of Net Position	B-7		248,425
Restricted cash and cash equivalents			
Governmental funds, Balance Sheet	B-1		6,467,061
Total cash and cash equivalents			\$ 7,118,120

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets
Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction in progress	35,174	1,808,627	652,204	1,191,597
Total	55,174	1,808,627	652,204	1,211,597
Capital assets, being depreciated				
Land improvements	606,763	10,000	-	616,763
Building & improvements	15,138,853	694,042	-	15,832,895
Furniture & equipment	656,265	29,112	-	685,377
Vehicles	88,656	-	-	88,656
Total	16,490,537	733,154	-	17,223,691
Accumulated depreciation				
Land improvements	318,797	30,588	-	349,385
Building & improvements	8,024,732	421,721	-	8,446,453
Furniture & equipment	527,739	29,821	-	557,560
Vehicles	49,869	11,082	-	60,951
Total	8,921,137	493,212	-	9,414,349
Total capital assets being depreciated, net	7,569,400	239,942	-	7,809,342
Transfers	-	(652,204)	(652,204)	-
Governmental activities capital assets, net	\$ 7,624,574	\$ 1,396,365	\$ -	\$ 9,020,939
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 130,319	\$ -	\$ -	\$ 130,319
Less: accumulated depreciation	128,595	150	-	128,745
Business type activities capital assets, net	\$ 1,724	\$ (150)	\$ -	\$ 1,574

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)
 Depreciation expense was charged to governmental functions in the current year as follows:

Instruction			
Regular	\$	252,335	
Special education		60,939	
Other special instruction		14,666	
Other instruction		8,125	
Support services			
Student & instruction		95,142	
General & business administration		42,013	
School administration		6,800	
Plant maintenance		2,110	
Transportation		11,082	
Total depreciation expense, governmental activities	\$	493,212	

Note 5 - Long-term debt
 Long-term liability activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 1,045,000	\$ 2,820,000	\$ 510,000	\$ 3,355,000	\$ 535,000
Compensated absences payable	98,320	31,993	21,104	109,209	8,718
PERS net pension liability	1,741,751	-	118,578	1,623,173	-
Total governmental activities long-term liabilities	\$ 2,885,071	\$ 2,851,993	\$ 649,682	\$ 5,087,382	\$ 543,718

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 535,000	\$ 70,209	\$ 605,209
2022	205,000	49,219	254,219
2023	165,000	46,656	211,656
2024	170,000	44,387	214,387
2025	180,000	41,837	221,837
2026 - 2030	975,000	165,713	1,140,713
2031 - 2035	1,125,000	68,900	1,193,900
Total	\$ 3,355,000	\$ 486,921	\$ 3,841,921

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2020, with their outstanding balances are comprised of the following individual issues:

\$3,750,000 - 2005 refunding general obligation bonds, due in annual installments of \$90,000 to \$535,000, beginning January 15, 2010, through January 15, 2021, interest at 3.50% to 4.25%.	\$ 535,000
\$2,820,000 - 2020 general obligation bonds, due in annual installments of \$165,000 to \$240,000, beginning September 1, 2020, through March 1, 2035, interest at 1.25% to 2.00%.	2,820,000
Total	\$ 3,355,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2020 is \$26,028,241. General obligation debt at June 30, 2020 is \$3,355,000 resulting in a legal debt margin of \$22,673,241.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
A. Public employees' retirement systems (PERS) (continued)
Plan description (continued)

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2019 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019 measurement date.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries 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.

The District's contractually required contribution rate for the year ended June 30, 2020 was 14.84% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information

The components of the District's allocable share of the net pension liability for PERS as of measurement date June 30, 2019:

Net pension liability	\$ 1,623,173
Proportionate share	0.0090083798%

Plan fiduciary net position as a percentage of the total pension liability 56.27%

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%

Investment rate of return 7.00%

Preretirement mortality rates were based on the Pub-10 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, 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 based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's Proportionate Share of the Net Pension Liability

At current discount rate (6.28%)	\$	1,623,173
At a 1% lower rate (5.28%)		2,064,595
At a 1% higher rate (7.28%)		1,272,020

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2020 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,134	\$ 7,170
Changes of assumptions	162,080	563,398
Net difference between projected and actual earnings on pension plan investments	-	25,622
Changes in proportion and differences between District contributions and proportionate share of contributions	201,040	340,885
District contributions subsequent to the measurement date	87,625	-
Total	<u>\$ 479,879</u>	<u>\$ 937,075</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) of \$87,625 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2019 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 33,215	\$ (4,081)	\$ 29,134
Changes of assumptions	287,012	(124,932)	162,080
Deferred inflows of resources			
Differences between expected and actual experience	(8,981)	1,811	(7,170)
Changes of assumptions	(556,919)	(6,479)	(563,398)
Differences between projected and actual investment earnings on pension plan investments	(16,338)	(9,284)	(25,622)
Net of deferred outflows	\$ (262,011)	\$ (142,965)	\$ (404,976)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2020	\$ (46,870)
2021	(152,044)
2022	(135,767)
2023	(63,749)
2024	(6,546)
Total	\$ (404,976)

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense

For the fiscal year ended June 30, 2020, the District recognized net pension expense of (\$44,366), which represents the District's proportionate share of allocable plan pension expense of \$75,253, plus other adjustments to the net pension liability of \$1,520, less the net amortization of deferred amounts from changes in proportion of \$121,139. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2019 measurement date are as follows:

Service cost	\$	62,513
Interest on total pension liability		185,286
Member contributions		(43,058)
Administrative expense		1,141
Expected investment return net of investment expense		(114,968)
Pension expense related to specific liabilities of individual employers		(538)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		13,950
Amortization of expected versus actual experience		(42,636)
Amortization of projected versus actual investment earnings on pension plan investments		13,563
Pension expense	\$	75,253

B. Teacher's pension and annuity fund (TPAF)

Plan description

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher’s pension and annuity fund (TPAF) (continued)
Plan description (continued)

The following represents the membership tiers for TPAF:

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

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

Contributions

The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2019, the State’s pension contribution was less than the actuarial determined amount.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

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 non-employer 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. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities’ total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ending June 30, 2019, the State of New Jersey contributed \$664,946 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2019 measurement date is as follows:

District’s proportionate share of net pension liability	\$	27,784,227
Less: State proportionate share of net pension liability		7,488,035
Net pension liability	\$	20,296,192

Plan fiduciary net position as a percentage of the total pension liability	26.95%
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DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Actuarial assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Long-term expected rate of return (continued)

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of the June 30, 2019 measurement date, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (5.60%)	\$ 20,296,192
At a 1% lower rate (4.60%)	23,933,703
At a 1% higher rate (6.60%)	17,278,207

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Pension expense

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2019 measurement date are as follows:

Service cost	\$	620,931
Interest on total pension liability		1,386,203
Member contributions		(279,165)
Administrative expense		4,593
Expected investment return net of investment expense		(509,024)
Pension expense related to specific liabilities of individual employers		(99)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		58,801
Amortization of expected versus actual experience		(196,852)
Amortization of projected versus actual investment earnings on pension plan investments		111,736
Pension expense	\$	1,197,124

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2020) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2020 was \$13,342.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

D. Other pension plan information

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$276,092 to the TPAF for postretirement medical benefits, \$13,104 for non-contributory insurance premiums, \$442 for long term disability insurance, and \$731,116 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$266,330 during the fiscal year ended June 30, 2020 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternative Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In fiscal year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have remained consistent with fiscal year 2019 amounts. The State has appropriated 1.612 billion in fiscal year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in fiscal year 2018.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Total OPEB liability

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

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of the June 30, 2019 measurement date is as follows:

State's proportionate share of the OPEB liability	\$	41,729,081,045
District's proportionate share of the State's OPEB liability		17,013,234
Employer OPEB expense and related revenue		111,058
Allocable proportionate percentage		0.0407706893%

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2018	\$ 18,665,700
Service cost	488,559
Interest cost	731,557
Change of benefit terms	-
Differences between expected and actual experiences	(2,619,476)
Changes of assumptions	253,669
Member contributions	15,481
Gross benefit payments	(522,256)
Total OPEB liability at June 30, 2019	\$ 17,013,234

There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The total non-employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 3.05%	2.00% - 6.00%
Thereafter	1.55% - 3.05%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2019 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.50%)	\$	17,013,234
At a 1% lower rate (2.50%)		20,099,353
At a 1% higher rate (4.50%)		14,561,791

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates (continued)

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$	17,013,234
At a 1% lower rate (1% decrease)		14,018,146
At a 1% higher rate (1% increase)		20,978,115

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 19, the District recognized OPEB expense of \$111,058 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

- AXA Equitable
- Security Benefit Retirement - ABMM Financial
- Vanguard
- Siracusa
- Metropolitan Life

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2020 is as follows:

	Receivable	Payable
General fund	\$ 132,105	\$ -
Special revenue fund	-	10,883
Capital projects fund	-	8,682
Payroll agency fund	-	112,540
	\$ 132,105	\$ 132,105

The balance due from the special revenue fund to the general fund of \$10,883 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance due from the capital projects fund to the general fund of \$8,682 represents expenditures processed in the general fund that are expenditures of the capital projects fund. The balance due from the payroll agency fund to the general fund of \$112,540 represents an excess of funds transferred from the general fund to net payroll.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2020 consisted of the following:

Food	\$	3,908
Supplies		1,042
Total	\$	4,950

Note 11 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s unemployment trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019 - 2020	\$ -	\$ 505	\$ 7,848	\$ 11,490	\$ 95,904
2018 - 2019	-	816	8,013	6,745	99,041
2017 - 2018	-	162	7,747	3,452	96,957

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$20,375 to their maintenance reserve and \$705,281 to capital reserve accounts by Board Resolution in June 2020 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 3,819,243	\$ 705,281	\$ 24,378	\$ 17,593	\$ 619,022	\$ 3,947,473
Emergency	174,639	-	877	-	-	175,516
Maintenance	599,613	20,375	-	-	20,000	599,988
Total	<u>\$ 4,593,495</u>	<u>\$ 725,656</u>	<u>\$ 25,255</u>	<u>\$ 17,593</u>	<u>\$ 639,022</u>	<u>\$ 4,722,977</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance - general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2020 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 56,228
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets.	148,719
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	3,947,473
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	175,516
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	599,988

Assigned

Designated surplus - Designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	66,669
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	151,477

Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	250,000
Total fund balance - Budgetary basis (Exhibit C-1)	5,396,070
Last state aid payments not recognized on GAAP basis	(103,365)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 5,292,705

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), 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, 2020 is \$148,719.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Operating lease

At June 30, 2020, the District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2021		\$	11,257
2022			5,629
Total			16,886

Note 17 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This statement is effective for reporting periods beginning after June 15, 2021 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement is effective for reporting periods beginning after December 15, 2019 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

Note 18 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2020 of (\$1,651,841) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 19 - Risks and uncertainties

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The “COVID-19 outbreak”) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations.

Note 20 - Subsequent events

The District has evaluated subsequent events through January 18, 2021, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 8,254,617	\$ -	\$ 8,254,617	\$ 8,254,617	\$ -
Tuition from other sources	55,000	-	55,000	103,331	48,331
Unrestricted miscellaneous revenues	25,500	-	25,500	65,469	39,969
Interest earned on current expense emergency reserve	750	-	750	877	127
Interest earned on maintenance reserve	1,500	-	1,500	-	(1,500)
Interest earned on capital reserve funds	10,000	-	10,000	24,378	14,378
Total	8,347,367	-	8,347,367	8,448,672	101,305
State sources					
School choice aid	275,362	-	275,362	275,362	-
Categorical transportation aid	167,383	-	167,383	167,383	-
Extraordinary aid	25,000	-	25,000	21,734	(3,266)
Categorical special education aid	267,084	-	267,084	267,084	-
Categorical security aid	34,010	-	34,010	34,010	-
Adjustment aid	318,795	-	318,795	318,795	-
TPAF Pension (on-behalf)	-	-	-	744,220	744,220
TPAF Social Security (reimbursed)	-	-	-	266,330	266,330
TPAF Postretirement benefits	-	-	-	276,092	276,092
TPAF Long-term disability insurance	-	-	-	442	442
Total	1,087,634	-	1,087,634	2,371,452	1,283,818
Total revenues	\$ 9,435,001	\$ -	\$ 9,435,001	\$ 10,820,124	\$ 1,385,123
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Preschool	\$ 178,691	\$ (21,020)	\$ 157,671	\$ 157,351	\$ 320
Kindergarten	227,300	(54,650)	172,650	172,647	3
Grades 1-5	1,477,980	3,425	1,481,405	1,480,802	603
Grades 6-8	819,907	(8,095)	811,812	810,205	1,607
Home instruction					
Salaries of teacher	2,500	-	2,500	90	2,410
Purchased professional - educational services	12,916	13,105	26,021	17,595	8,426
Regular programs - undistributed instruction					
Purchased technical services	-	2,200	2,200	1,100	1,100
Other purchased services	3,500	(1,355)	2,145	1,145	1,000
General supplies	268,315	(97,095)	171,220	151,709	19,511
Textbooks	35,500	(30,000)	5,500	2,951	2,549
Other objects	5,000	-	5,000	312	4,688
Total	3,031,609	(193,485)	2,838,124	2,795,907	42,217

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Multiple disabilities					
Salaries of teachers	\$ -	\$ 68,685	\$ 68,685	\$ 51,714	\$ 16,971
Total	<u>-</u>	<u>68,685</u>	<u>68,685</u>	<u>51,714</u>	<u>16,971</u>
Resource room/resource center					
Salaries of teachers	521,278	(13,100)	508,178	466,214	41,964
Other salaries for instruction	150,458	(2,400)	148,058	147,428	630
Purchased professional - educational services	55,000	(50,000)	5,000	3,080	1,920
General supplies	6,000	(2,900)	3,100	2,839	261
Total	<u>732,736</u>	<u>(68,400)</u>	<u>664,336</u>	<u>619,561</u>	<u>44,775</u>
Home instruction					
Salaries of teachers	5,000	-	5,000	4,401	599
Purchased professional - educational services	5,000	(3,500)	1,500	-	1,500
Total	<u>10,000</u>	<u>(3,500)</u>	<u>6,500</u>	<u>4,401</u>	<u>2,099</u>
Total special education	<u>742,736</u>	<u>(3,215)</u>	<u>739,521</u>	<u>675,676</u>	<u>63,845</u>
Basic skills/remedial					
Salaries of teachers	146,053	-	146,053	145,163	890
General supplies	5,000	-	5,000	2,592	2,408
Total	<u>151,053</u>	<u>-</u>	<u>151,053</u>	<u>147,755</u>	<u>3,298</u>
Bilingual education - instruction					
General supplies	250	-	250	-	250
Total	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	61,000	3,000	64,000	41,966	22,034
Purchased services	3,000	(3,000)	-	-	-
Supplies and materials	5,000	480	5,480	5,160	320
Other objects	1,000	(480)	520	167	353
Total	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>47,293</u>	<u>22,707</u>
School-sponsored athletics - instruction					
Salaries	53,500	4,100	57,600	34,598	23,002
Purchased services	6,000	-	6,000	3,467	2,533
Supplies and materials	10,000	(4,755)	5,245	4,539	706
Other objects	-	655	655	655	-
Total	<u>69,500</u>	<u>-</u>	<u>69,500</u>	<u>43,259</u>	<u>26,241</u>
Total instruction regular	<u>\$ 4,065,148</u>	<u>\$ (196,700)</u>	<u>\$ 3,868,448</u>	<u>\$ 3,709,890</u>	<u>\$ 158,558</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	\$ -	\$ 25,550	\$ 25,550	\$ -	\$ 25,550
Tuition to cssd & regional day schools	85,021	(74,391)	10,630	5,645	4,985
Tuition to priv. school for the disabled w/i state	277,500	2,450	279,950	192,964	86,986
Total	<u>362,521</u>	<u>(46,391)</u>	<u>316,130</u>	<u>198,609</u>	<u>117,521</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - health services					
Salaries	\$ 63,560	\$ 1,680	\$ 65,240	\$ 64,757	\$ 483
Purchased professional and technical services	5,000	1,550	6,550	5,988	562
Supplies and materials	7,500	(2,184)	5,316	3,688	1,628
Total	<u>76,060</u>	<u>1,046</u>	<u>77,106</u>	<u>74,433</u>	<u>2,673</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	73,270	-	73,270	72,517	753
Purchased professional - educational services	77,500	26,350	103,850	84,530	19,320
Supplies and materials	3,000	1,200	4,200	4,181	19
Other objects	250	(136)	114	-	114
Total	<u>154,020</u>	<u>27,414</u>	<u>181,434</u>	<u>161,228</u>	<u>20,206</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	27,672	650	28,322	28,322	-
Purchased professional - educational services	-	10,741	10,741	10,741	-
Total	<u>27,672</u>	<u>11,391</u>	<u>39,063</u>	<u>39,063</u>	<u>-</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	70,074	-	70,074	66,905	3,169
Supplies and materials	1,000	178	1,178	1,177	1
Other objects	150	(150)	-	-	-
Total	<u>71,224</u>	<u>28</u>	<u>71,252</u>	<u>68,082</u>	<u>3,170</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	220,925	60,399	281,324	281,095	229
Salaries of secretarial and clerical assistants	45,889	561	46,450	46,419	31
Purchased professional - educational services	30,000	(18,910)	11,090	10,935	155
Other purchased professional & technical services	15,000	(2,000)	13,000	12,754	246
Other purchased services	7,500	(2,500)	5,000	-	5,000
Supplies and materials	2,500	5,472	7,972	7,451	521
Other objects	1,000	(560)	440	50	390
Total	<u>322,814</u>	<u>42,462</u>	<u>365,276</u>	<u>358,704</u>	<u>6,572</u>
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	92,006	-	92,006	91,738	268
Salaries of other professional staff	1,350	930	2,280	2,280	-
Salaries of secretarial & clerical assist	27,690	-	27,690	27,690	-
Purchased professional - educational services	2,500	(1,143)	1,357	545	812
Other purchased services	580	-	580	198	382
Supplies and materials	1,000	863	1,863	1,663	200
Other objects	3,200	(650)	2,550	1,928	622
Total	<u>128,326</u>	<u>-</u>	<u>128,326</u>	<u>126,042</u>	<u>2,284</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 100,684	\$ 2,000	\$ 102,684	\$ 101,234	\$ 1,450
Purchased professional and technical services	130,000	(83,630)	46,370	7,760	38,610
Other purchased services	50,000	19,389	69,389	53,937	15,452
Supplies and materials	7,500	106,820	114,320	8,862	105,458
Other objects	750	21	771	771	-
Total	288,934	44,600	333,534	172,564	160,970
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	6,000	(936)	5,064	1,450	3,614
Other purchased services	3,500	1,436	4,936	4,488	448
Supplies and materials	500	(500)	-	-	-
Total	10,000	-	10,000	5,938	4,062
Undistributed expenditures - support service - general admin.					
Salaries	236,000	(37,430)	198,570	175,020	23,550
Legal services	19,000	9,000	28,000	26,301	1,699
Audit fees	15,000	5,500	20,500	20,500	-
Other purchased professional services	22,500	10,100	32,600	31,807	793
Communications/telephone	25,000	(628)	24,372	20,822	3,550
BOE other purchased services	6,500	-	6,500	4,500	2,000
Miscellaneous purchased services	12,000	14,987	26,987	26,947	40
General supplies	1,500	(464)	1,036	1,034	2
Miscellaneous expenditures	3,000	1,110	4,110	2,969	1,141
BOE membership dues and fees	7,128	(2,175)	4,953	4,543	410
Total	347,628	-	347,628	314,443	33,185
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	46,003	-	46,003	45,869	134
Salaries of secretarial and clerical assistants	29,690	88	29,778	28,432	1,346
Purchased professional and technical services	750	(750)	-	-	-
Other purchased services	-	170	170	-	170
Supplies and materials	1,000	492	1,492	1,492	-
Total	77,443	-	77,443	75,793	1,650
Undistributed expenditures - central services					
Salaries	142,860	7,125	149,985	144,477	5,508
Purchased professional services	11,000	(6,365)	4,635	4,053	582
Miscellaneous purchased services	18,000	(1,000)	17,000	-	17,000
Supplies and materials	3,700	525	4,225	4,211	14
Other objects	2,500	(285)	2,215	1,058	1,157
Total	178,060	-	178,060	153,799	24,261
Undistributed expenditures - required maint. for school facilities					
Salaries	93,898	-	93,898	86,964	6,934
Cleaning, repair, and maintenance services	132,593	79,075	211,668	207,939	3,729
General supplies	20,000	2,325	22,325	21,859	466
Other objects	2,000	(1,275)	725	264	461
Total	248,491	80,125	328,616	317,026	11,590

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 186,155	\$ 5,410	\$ 191,565	\$ 170,570	\$ 20,995
Salaries of non-instructional aides	9,915	805	10,720	10,716	4
Purchased professional and technical services	10,000	(7,175)	2,825	1,425	1,400
Cleaning, repair, and maintenance service	12,000	(2,700)	9,300	8,351	949
Other purchased property services	36,000	(350)	35,650	35,645	5
Insurance	68,000	(2,150)	65,850	65,846	4
General supplies	27,000	30,630	57,630	41,752	15,878
Energy (electricity)	140,000	(40,000)	100,000	83,025	16,975
Energy (oil)	65,000	(15,950)	49,050	49,001	49
Energy (gasoline)	750	(750)	-	-	-
Other objects	2,500	(1,750)	750	745	5
Total	557,320	(33,980)	523,340	467,076	56,264
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	9,000	(9,000)	-	-	-
General supplies	5,250	(4,000)	1,250	1,068	182
Total	14,250	(13,000)	1,250	1,068	182
Undistributed expenditures - security					
Salaries	61,246	(19,750)	41,496	41,478	18
Cleaning, repair, and maintenance service	6,000	(2,400)	3,600	3,598	2
General supplies	14,954	(9,995)	4,959	10	4,949
Total	82,200	(32,145)	50,055	45,086	4,969
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	22,609	(2,200)	20,409	17,898	2,511
Salaries for pupil trans. (between home & school) - reg.	-	100	100	-	100
Salaries for pupil trans. (between home & school) - sp. ed.	18,737	3,395	22,132	22,127	5
Management fee - esc & ctsa trans. program	2,500	970	3,470	2,483	987
Cleaning, repair, & maint. services	2,500	469	2,969	2,966	3
Contract serv-aid in lieu pymts - non-public schools	20,000	(10,495)	9,505	9,505	-
Contract serv-aid in lieu pymts-choice school students	8,000	(2,000)	6,000	6,000	-
Contract serv (oth. than between home & school) - vend.	37,170	(11,165)	26,005	21,741	4,264
Contract serv (between home & school) - joint agreements	306,000	(18,904)	287,096	259,769	27,327
Contract serv (sp. ed. Stds.) - vendors	23,500	2,230	25,730	20,892	4,838
Contract serv (sp. ed. Stds.) - joint agreements	30,000	(30,000)	-	-	-
Contract serv (sp. ed. Stds.) - escs & ctsas	30,257	30,400	60,657	45,145	15,512
Miscellaneous purchased services - transportation	4,800	(4,800)	-	-	-
General supplies	150	-	150	-	150
Transportation supplies	2,500	(2,500)	-	-	-
Other objects	7,000	(1,000)	6,000	-	6,000
Total	515,723	(45,500)	470,223	408,526	61,697

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Unallocated benefits - employee benefits					
Social Security contributions	\$ 120,000	\$ -	\$ 120,000	\$ 98,919	\$ 21,081
Other retirement contributions - PERS	110,000	(22,223)	87,777	87,777	-
Other retirement contributions - regular	5,000	5,119	10,119	9,606	513
Workmen's compensation	85,000	(5,906)	79,094	79,094	-
Health benefits	1,580,000	(46,168)	1,533,832	1,372,323	161,509
Tuition reimbursement	43,043	(10,000)	33,043	27,311	5,732
Other employee benefits	20,000	9,927	29,927	10,505	19,422
Unused sick payment to terminated/retired staff	10,500	9,150	19,650	19,604	46
Total	<u>1,973,543</u>	<u>(60,101)</u>	<u>1,913,442</u>	<u>1,705,139</u>	<u>208,303</u>
On-behalf TPAF Pension contribution	-	-	-	744,220	(744,220)
On-behalf TPAF Postretirement medical benefits	-	-	-	276,092	(276,092)
On-behalf TPAF Long-term disability insurance	-	-	-	442	(442)
Reimbursed TPAF Social Security contribution	-	-	-	266,330	(266,330)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287,084</u>	<u>(1,287,084)</u>
Total undistributed expenditures	<u>\$ 5,436,229</u>	<u>\$ (24,051)</u>	<u>\$ 5,412,178</u>	<u>\$ 5,979,703</u>	<u>\$ (567,525)</u>
Total current	<u>\$ 9,501,377</u>	<u>\$ (220,751)</u>	<u>\$ 9,280,626</u>	<u>\$ 9,689,593</u>	<u>\$ (408,967)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 151,886	\$ 151,886	\$ 151,223	\$ 663
Undistributed expend. - support service - students - spl.	-	7,495	7,495	7,495	-
Undistributed expenditures - custodial services	10,000	(5,550)	4,450	-	4,450
Undistributed expenditures - security	-	5,550	5,550	5,550	-
Total equipment	<u>10,000</u>	<u>159,381</u>	<u>169,381</u>	<u>164,268</u>	<u>5,113</u>
Facilities acquisition and construction service					
Architectural/engineering services	69,226	(57,500)	11,726	11,726	-
Construction services	517,500	152,892	670,392	612,803	57,589
Assessment for debt service on SDA funding	32,412	-	32,412	32,412	-
Total facilities acquisition and construction service	<u>619,138</u>	<u>95,392</u>	<u>714,530</u>	<u>656,941</u>	<u>57,589</u>
Total capital outlay	<u>\$ 629,138</u>	<u>\$ 254,773</u>	<u>\$ 883,911</u>	<u>\$ 821,209</u>	<u>\$ 62,702</u>
Total expenditures	<u>\$ 10,130,515</u>	<u>\$ 34,022</u>	<u>\$ 10,164,537</u>	<u>\$ 10,510,802</u>	<u>\$ (346,265)</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Excess (deficiency) of revenues over (under) expenditures	\$ (695,514)	\$ (34,022)	\$ (729,536)	\$ 309,322	\$ 1,038,858
Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	-	-		17,593	17,593
Operating transfer out					
Transfer to food service fund - board contribution		(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	-	(10,000)	(10,000)	7,593	17,593
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(695,514)	(44,022)	(739,536)	316,915	1,056,451
Fund balances, July 1	5,079,155	-	5,079,155	5,079,155	-
Fund balances, June 30	\$ 4,383,641	\$ (44,022)	\$ 4,339,619	\$ 5,396,070	\$ 1,056,451
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (25,812)	\$ -	\$ (25,812)	\$ (25,812)	\$ -
Increase in capital reserve	-	705,281	705,281	722,874	17,593
Interest deposit to capital reserve	10,000	-	10,000	24,378	14,378
Withdrawal from capital reserve	(575,000)	(44,022)	(619,022)	(619,022)	-
Interest earned on emergency reserve	750	-	750	877	127
Increase in maintenance reserve	-	20,375	20,375	20,375	-
Interest earned on maintenance reserve	1,500	-	1,500	-	(1,500)
Withdrawal from maintenance reserve	(20,000)	-	(20,000)	(20,000)	-
Budgeted fund balance	(86,952)	(725,656)	(812,608)	213,245	1,025,853
Total	\$ (695,514)	\$ (44,022)	\$ (739,536)	\$ 316,915	\$ 1,056,451
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 56,228	
Excess surplus - current year				148,719	
Capital reserve				3,947,473	
Emergency reserve				175,516	
Maintenance reserve				599,988	
Assigned fund balance					
Designated for subsequent year's expenditures				66,669	
Year-end encumbrances				151,477	
Unassigned fund balance				250,000	
Fund balance per budgetary basis				5,396,070	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(103,365)	
Fund balance per governmental funds (GAAP)				\$ 5,292,705	

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 1,737	\$ -	\$ 1,737	\$ 1,237	\$ (500)
Federal sources	175,521	-	175,521	155,904	(19,617)
Total revenues	<u>\$ 177,258</u>	<u>\$ -</u>	<u>\$ 177,258</u>	<u>\$ 157,141</u>	<u>\$ (20,117)</u>
Expenditures					
Instruction					
Other Salaries - Aides	\$ -	\$ 1,004	\$ 1,004	\$ 1,004	\$ -
Purchased professional and technical services	-	5,361	5,361	5,361	-
Other purchased services	6,156	3,890	10,046	10,046	-
Tuition	45,369	-	45,369	42,369	3,000
Supplies	52,111	(10,255)	41,856	37,852	4,004
Total	<u>103,636</u>	<u>-</u>	<u>103,636</u>	<u>96,632</u>	<u>7,004</u>
Support services					
Purchased professional and technical services	43,827	4,060	47,887	47,887	-
Other purchased services	10,000	(4,060)	5,940	5,940	-
Supplies	13,112	-	13,112	-	13,112
Other objects	500	-	500	500	-
Total	<u>67,439</u>	<u>-</u>	<u>67,439</u>	<u>54,327</u>	<u>13,112</u>
Capital outlay					
Instructional equipment	6,183	-	6,183	6,182	1
Total expenditures	<u>\$ 177,258</u>	<u>\$ -</u>	<u>\$ 177,258</u>	<u>\$ 157,141</u>	<u>\$ 20,117</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2020

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary) “revenues” from the budgetary comparison schedules	\$ 10,820,124	\$ 157,141
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Outstanding encumbrances - prior year	-	496
Outstanding encumbrances - current year	-	(19,124)
Donations of capital assets are not recognized for budgetary purposes but treated as revenues and additional expenditures for GAAP purposes	10,000	-
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	103,811	-
State aid receivable current year	(103,365)	-
Total revenues (GAAP basis)	\$ 10,830,570	\$ 138,513

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2020

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,510,802	\$ 157,141
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 reporting purposes		
Outstanding encumbrances - prior year	-	496
Outstanding encumbrances - current year	-	(19,124)
Donations of capital assets are not recognized for budgetary purposes but treated as revenues and additional expenditures for GAAP purposes		
	10,000	-
Total expenditures (GAAP basis)	\$ 10,520,802	\$ 138,513

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.0090083798%	0.0088460900%	0.0076679103%	0.9907520800%	0.0114863728%	0.0121027105%	0.0123869317%	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,623,173	\$ 1,741,751	\$ 1,784,967	\$ 2,934,323	\$ 2,669,455	\$ 2,367,389	\$ 2,265,958	N/A	N/A
District's covered employee payroll	590,469	616,230	631,819	549,574	N/A	996,564	1,087,006	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	263.40%	275.67%	324.79%	N/A	267.87%	217.79%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A

N/A - Not Available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 87,625	\$ 87,990	\$ 71,035	\$ 89,748	\$ 102,237	\$ 99,773	\$ 93,934	\$ 95,919	\$ 96,087	\$ 88,576
Contributions in relation to the contractually required contribution	(87,625)	(87,990)	(71,035)	(89,748)	(102,237)	(99,773)	(93,934)	(95,919)	(96,087)	(88,576)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 590,469	\$ 616,230	\$ 631,819	\$ 549,574	N/A	\$ 996,564	\$ 1,087,006	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	14.84%	14.28%	11.24%	16.33%	N/A	10.01%	8.64%	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	20,296,192	21,965,861	24,632,861	29,440,467	23,838,298	20,866,554	20,218,196	N/A	N/A
Total	\$ -	\$ 20,296,192	\$ 21,965,861	\$ 24,632,861	\$ 29,440,467	\$ 23,838,298	\$ 20,866,554	20,218,196	\$ -	\$ -
District's covered employee payroll	\$ 3,873,942	\$ 3,643,352	\$ 3,527,750	\$ 3,443,374	N/A	\$ 3,859,796	\$ 3,808,662	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A

N/A - Not Available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 664,946	\$ 664,048	\$ 520,812	\$ 410,941	\$ 656,417	\$ 527,611	\$ 435,966	\$ 550,788	\$ 376,011	\$ 271,911
Contributions in relation to the contractually required contribution	(664,946)	(664,048)	(520,812)	(410,941)	(656,417)	(527,611)	(435,966)	(550,788)	(376,011)	(271,911)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,873,942	\$ 3,643,352	\$ 3,527,750	3,443,374	N/A	\$ 3,859,796	\$ 3,808,662	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	17.16%	18.23%	14.76%	11.93%	N/A	13.67%	11.45%	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	17,013,234	18,665,700	22,493,672	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 17,013,234	\$ 18,665,700	\$ 22,493,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 4,259,582	\$ 4,159,569	\$ 3,992,948	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2020

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 4.86% in State fiscal year 2018 and 5.60% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal years 2018 and 2.75% in State fiscal year 2019.
- Note 3 - Changes in assumptions - PERS
The discount rate was 5.66% in State fiscal year 2018 and 6.28% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal year 2018 and 2.75% for State fiscal year 2019.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 3.87% in State fiscal year 2018 to 3.50% in State fiscal year 2019. The inflation rate was 2.50% for State fiscal year 2018 and 2019.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	ESSA Title IA	ESSA Title IIA	ESSA Title IV	IDEA Basic	IDEA Preschool	REAP	Local Grants	Total
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,237	\$ 1,237
Federal sources	15,704	5,156	10,042	84,369	6,233	34,400	-	155,904
Total revenues	\$ 15,704	\$ 5,156	\$ 10,042	\$ 84,369	\$ 6,233	\$ 34,400	\$ 1,237	\$ 157,141
Expenditures								
Instruction								
Other salaries - aides	\$ -	\$ -	\$ 1,004	\$ -	\$ -	\$ -	\$ -	\$ 1,004
Purchased professional and technical services	4,476	885	-	-	-	-	-	5,361
Other purchased services	-	4,271	5,775	-	-	-	-	10,046
Tuition	-	-	-	42,369	-	-	-	42,369
Supplies	11,228	-	3,263	3,000	500	19,124	737	37,852
Total	15,704	5,156	10,042	45,369	500	19,124	737	96,632
Support services								
Purchased professional and technical services	-	-	-	33,060	5,733	9,094	-	47,887
Other purchased services	-	-	-	5,940	-	-	-	5,940
Other objects	-	-	-	-	-	-	500	500
Total	-	-	-	39,000	5,733	9,094	500	54,327
Capital outlay								
Instructional equipment	-	-	-	-	-	6,182	-	6,182
Total expenditures	\$ 15,704	\$ 5,156	\$ 10,042	\$ 84,369	\$ 6,233	\$ 34,400	\$ 1,237	\$ 157,141

See independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2020

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/20
			Prior Years	Current Year	
Improvement to district facilities	12/10/2019	\$ 2,820,000	\$ -	\$ 1,084,598	\$ 1,735,402

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2020

Expenditures	
Professional services	\$ 119,659
Construction services	964,939
Total expenditures	1,084,598
Other financing sources (uses)	
Proceeds from bond issuance	2,820,000
Transfer out to the general fund	(17,593)
Total other financing sources (uses)	2,802,407
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,717,809
Fund balance - beginning of year	17,593
Fund balance - ending of year	\$ 1,735,402

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Improvement to District Facilities
For the Fiscal Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - proceeds from bond issuance	\$ -	\$ 2,820,000	\$ 2,820,000	\$ 2,820,000
Total revenues	<u>-</u>	<u>2,820,000</u>	<u>2,820,000</u>	<u>2,820,000</u>
Expenditures and other financing uses				
Other purchased professional services	-	119,659	119,659	420,000
Construction services	-	964,939	964,939	2,400,000
Total expenditures	<u>-</u>	<u>1,084,598</u>	<u>1,084,598</u>	<u>2,820,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,735,402</u>	<u>\$ 1,735,402</u>	<u>\$ -</u>

Additional Project Information

Project number	1040-040-20-1000
Bonds authorization date	12/10/2019
Bonds authorized	\$ 2,820,000
Bonds issued	2,820,000
Original authorized cost	2,820,000
Increase in authorized cost	-
Revised authorized cost	2,820,000
Percentage completion	38.46%

See independent auditors' report.

PROPRIETARY FUND

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.

See Statements B-4, B-5, and B-6

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets					
Cash and cash equivalents	\$ 97,083	\$ 881	\$ 27,776	\$ 122,685	\$ 248,425
Total assets	\$ 97,083	\$ 881	\$ 27,776	\$ 122,685	\$ 248,425
Liabilities					
Due to students groups	\$ -	\$ -	\$ 27,776	\$ -	\$ 27,776
Due to other funds	-	-	-	112,540	112,540
Accounts payable	1,179	-	-	-	1,179
FSA Section 125 Plan	-	-	-	9,694	9,694
Payroll deductions and withholdings	-	-	-	451	451
Total liabilities	1,179	-	\$ 27,776	\$ 122,685	151,640
Net position					
Held in trust for unemployment claims and other purposes	<u>\$ 95,904</u>	<u>\$ 881</u>			<u>\$ 96,785</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
Additions			
Contributions			
Employee withholdings	\$ 7,848	\$ -	\$ 7,848
Investment earnings - interest	505	4	509
Total additions	<u>8,353</u>	<u>4</u>	<u>8,357</u>
Deductions			
Unemployment claims	11,490	-	11,490
Scholarship awards	-	75	75
Total deductions	<u>11,490</u>	<u>75</u>	<u>11,565</u>
Change in net position	(3,137)	(71)	(3,208)
Net position, beginning of the year	<u>99,041</u>	<u>952</u>	<u>99,993</u>
Net position, end of the year	<u>\$ 95,904</u>	<u>\$ 881</u>	<u>\$ 96,785</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 25,470	\$ 22,088	\$ 19,782	\$ 27,776
Total assets	<u>\$ 25,470</u>	<u>\$ 22,088</u>	<u>\$ 19,782</u>	<u>\$ 27,776</u>
Liabilities				
Due to student groups	\$ 25,470	\$ 22,088	\$ 19,782	\$ 27,776
Total liabilities	<u>\$ 25,470</u>	<u>\$ 22,088</u>	<u>\$ 19,782</u>	<u>\$ 27,776</u>

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DELAWARE TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 12,526	\$ 5,746,056	\$ 5,635,897	\$ 122,685
Total assets	<u>\$ 12,526</u>	<u>\$ 5,746,056</u>	<u>\$ 5,635,897</u>	<u>\$ 122,685</u>
Liabilities				
Due to other funds	\$ -	\$ 112,540	\$ -	\$ 112,540
FSA Section 125 Plan	12,367	38,841	41,515	9,693
Payroll deductions and withholdings	159	2,455,508	2,455,339	328
Net payroll	<u>-</u>	<u>3,139,167</u>	<u>3,139,043</u>	<u>124</u>
Total liabilities	<u>\$ 12,526</u>	<u>\$ 5,746,056</u>	<u>\$ 5,635,897</u>	<u>\$ 122,685</u>

See independent auditors' report.

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, obligations under capital leases, and early retirement program.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/19	Issued	Retired	Balance 06/30/20
			Date	Amount					
School refunding bonds, 2005 series	07/15/05	\$ 3,750,000	01/15/21	\$ 535,000	4.00%	\$ 1,045,000	\$ -	\$ 510,000	\$ 535,000
School bonds, 2020 series	03/01/20	2,820,000	3/1/22	205,000	1.25%	-	2,820,000	-	2,820,000
			3/1/23	165,000	1.38%	-	-	-	-
			3/1/24	170,000	1.50%	-	-	-	-
			3/1/25	180,000	1.50%	-	-	-	-
			3/1/26	185,000	1.50%	-	-	-	-
			3/1/27	190,000	1.50%	-	-	-	-
			3/1/28	195,000	1.75%	-	-	-	-
			3/1/29	200,000	1.75%	-	-	-	-
			3/1/30	205,000	2.00%	-	-	-	-
			3/1/31	210,000	2.00%	-	-	-	-
			3/1/32	220,000	2.00%	-	-	-	-
			3/1/33	225,000	2.00%	-	-	-	-
			3/1/34	230,000	2.00%	-	-	-	-
			3/1/35	240,000	2.00%	-	-	-	-
						<u>\$ 1,045,000</u>	<u>\$ 2,820,000</u>	<u>\$ 510,000</u>	<u>\$ 3,355,000</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 551,800	\$ -	\$ 551,800	\$ 551,800	\$ -
Total revenues	<u>551,800</u>	<u>-</u>	<u>551,800</u>	<u>551,800</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	510,000	-	510,000	510,000	-
Interest	41,800	-	41,800	41,800	-
Total expenditures	<u>551,800</u>	<u>-</u>	<u>551,800</u>	<u>551,800</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

DELAWARE TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

Contents	Page
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.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
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.	J-14 to J-15
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.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.	

DELAWARE TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government activities										
Net investment in capital assets	\$ 5,909,755	\$ 5,771,417	\$ 5,583,276	\$ 5,496,804	\$ 5,483,699	\$ 6,147,946	\$ 6,373,507	\$ 6,452,186	\$ 6,579,574	\$ 5,665,939
Restricted	1,113,474	1,567,616	1,765,666	1,660,770	2,663,077	2,072,080	2,843,299	3,786,910	4,611,088	6,458,379
Unrestricted	40,475	(27,552)	144,749	963,253	(2,303,030)	(2,021,402)	(2,276,137)	(2,140,496)	(1,949,146)	(1,651,841)
Total governmental activities	<u>\$ 7,063,704</u>	<u>\$ 7,311,481</u>	<u>\$ 7,493,691</u>	<u>\$ 8,120,827</u>	<u>\$ 5,843,746</u>	<u>\$ 6,198,624</u>	<u>\$ 6,940,669</u>	<u>\$ 8,098,600</u>	<u>\$ 9,241,516</u>	<u>\$ 10,472,477</u>
Business-type activities										
Net investment in capital assets	\$ 42,722	\$ 34,305	\$ 25,888	\$ 17,471	\$ 9,054	\$ 637	\$ -	\$ -	\$ 1,724	\$ 1,574
Unrestricted	28,951	20,523	23,132	44,678	33,030	21,063	10,628	12,958	16,569	5,262
Total business-type activities	<u>\$ 71,673</u>	<u>\$ 54,828</u>	<u>\$ 49,020</u>	<u>\$ 62,149</u>	<u>\$ 42,084</u>	<u>\$ 21,700</u>	<u>\$ 10,628</u>	<u>\$ 12,958</u>	<u>\$ 18,293</u>	<u>\$ 6,836</u>
District-wide										
Net investment in capital assets	\$ 5,952,477	\$ 5,805,722	\$ 5,609,164	\$ 5,514,275	\$ 5,492,753	\$ 6,148,583	\$ 6,373,507	\$ 6,452,186	\$ 6,581,298	\$ 5,667,513
Restricted	1,113,474	1,567,616	1,765,666	1,660,770	2,663,077	2,072,080	2,843,299	3,786,910	4,611,088	6,458,379
Unrestricted	69,426	(7,029)	167,881	1,007,931	(2,270,000)	(2,000,339)	(2,265,509)	(2,127,538)	(1,932,577)	(1,646,579)
Total district-wide	<u>\$ 7,135,377</u>	<u>\$ 7,366,309</u>	<u>\$ 7,542,711</u>	<u>\$ 8,182,976</u>	<u>\$ 5,885,830</u>	<u>\$ 6,220,324</u>	<u>\$ 6,951,297</u>	<u>\$ 8,111,558</u>	<u>\$ 9,259,809</u>	<u>\$ 10,479,313</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,764,894	\$ 3,797,348	\$ 3,737,507	\$ 3,610,264	\$ 3,873,541	\$ 4,109,371	\$ 5,939,544	\$ 6,395,199	\$ 5,881,420	\$ 5,469,777
Special education	978,285	1,084,197	1,324,589	1,255,885	1,315,217	1,369,853	1,417,839	1,371,681	1,441,043	1,246,372
Other special education	240,963	266,080	292,872	271,614	235,204	261,282	307,397	348,340	327,470	316,394
Other instruction	108,532	109,623	118,437	117,193	102,928	137,040	101,586	255,588	225,932	270,191
Support services										
Tuition	112,101	104,569	63,464	217,694	150,925	193,850	270,350	239,899	233,092	240,978
Student & instruction related services	1,160,774	1,283,246	1,242,360	1,425,450	1,749,006	1,503,586	1,492,196	1,630,322	1,584,472	1,728,052
General & business administrative services	587,836	646,129	603,686	726,632	865,452	705,619	959,197	928,664	902,091	703,742
School administration	256,023	262,937	275,631	56,447	-	62,135	130,321	141,030	133,910	129,154
Plant operations & maintenance	903,124	845,003	916,089	1,023,246	914,316	950,577	735,182	835,701	832,754	952,823
Pupil transportation	404,384	406,583	388,412	489,737	435,242	410,373	407,802	394,856	425,869	443,576
Capital outlay	327,452	295,889	275,747	679,898	(57,232)	214,237	-	-	-	-
Interest on long-term debt	168,551	157,784	143,741	130,825	121,617	113,329	124,552	133,232	84,828	87,045
Unallocated depreciation	26,549	26,549	26,549	26,549	26,549	26,549	-	-	-	-
Total governmental activities expenses	9,039,468	9,285,937	9,409,084	10,031,434	9,732,765	10,057,801	11,885,966	12,674,512	12,072,881	11,588,104
Business-type activities										
Food services	136,647	153,065	109,464	92,303	113,979	101,005	112,976	109,601	106,325	100,954
Total business-type activities	136,647	153,065	109,464	92,303	113,979	101,005	112,976	109,601	106,325	100,954
Total district expenses	\$ 9,176,115	\$ 9,439,002	\$ 9,518,548	\$ 10,123,737	\$ 9,846,744	\$ 10,158,806	\$ 11,998,942	\$ 12,784,113	\$ 12,179,206	\$ 11,689,058

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues										
Governmental activities										
Charges for services	\$ 71,107	\$ 77,807	\$ 65,476	\$ 40,133	\$ 49,800	\$ 63,000	\$ 116,667	\$ 153,180	\$ 149,556	\$ 152,956
Operating grants & contributions	422,994	414,023	442,023	435,294	432,874	432,888	148,360	164,616	163,972	138,513
Total governmental activities program revenues	<u>494,101</u>	<u>491,830</u>	<u>507,499</u>	<u>475,427</u>	<u>482,674</u>	<u>495,888</u>	<u>265,027</u>	<u>317,796</u>	<u>313,528</u>	<u>291,469</u>
Business-type activities										
Charges for services										
Food service	120,955	116,527	90,015	86,531	76,649	72,704	75,623	84,476	85,475	54,434
Operating grants & contributions	19,211	19,694	13,640	18,903	17,189	18,207	26,281	27,455	26,185	25,063
Total business-type activities program revenues	<u>140,166</u>	<u>136,221</u>	<u>103,655</u>	<u>105,434</u>	<u>93,838</u>	<u>90,911</u>	<u>101,904</u>	<u>111,931</u>	<u>111,660</u>	<u>79,497</u>
Total district - program revenues	<u>\$ 634,267</u>	<u>\$ 628,051</u>	<u>\$ 611,154</u>	<u>\$ 580,861</u>	<u>\$ 576,512</u>	<u>\$ 586,799</u>	<u>\$ 366,931</u>	<u>\$ 429,727</u>	<u>\$ 425,188</u>	<u>\$ 370,966</u>
Net (expense) revenues										
Governmental activities	\$ (8,545,367)	\$ (8,794,107)	\$ (8,901,585)	\$ (9,556,007)	\$ (9,250,091)	\$ (9,561,913)	\$ (11,620,939)	\$ (12,356,716)	\$ (11,759,353)	\$ (11,296,635)
Business-type activities	3,519	(16,844)	(5,809)	13,131	(20,141)	(10,094)	(11,072)	2,330	5,335	(21,457)
Total district-wide net expenses	<u>\$ (8,541,848)</u>	<u>\$ (8,810,951)</u>	<u>\$ (8,907,394)</u>	<u>\$ (9,542,876)</u>	<u>\$ (9,270,232)</u>	<u>\$ (9,572,007)</u>	<u>\$ (11,632,011)</u>	<u>\$ (12,354,386)</u>	<u>\$ (11,754,018)</u>	<u>\$ (11,318,092)</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 6,923,540	\$ 7,044,281	\$ 7,185,108	\$ 7,185,000	\$ 7,185,000	\$ 7,328,700	\$ 7,554,774	\$ 7,792,127	\$ 7,994,723	\$ 8,254,617
Taxes levied for debt service	434,253	477,341	479,291	510,802	320,575	527,288	538,725	551,375	547,537	551,800
Federal and State aid not restricted	1,145,814	1,457,953	1,413,789	1,942,680	1,729,346	1,874,340	4,381,767	5,113,504	4,273,176	3,680,080
Investment earnings	3,561	3,333	3,240	3,137	1,993	2,049	2,193	7,528	46,488	39,431
Miscellaneous income	113,059	58,976	2,368	4,115	82,382	30,271	43,083	50,113	41,917	11,668
Transfers in (out)	-	-	-	537,410	(78,671)	154,144	-	-	-	(10,000)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	(1,572)	-
Total governmental activities	<u>8,620,227</u>	<u>9,041,884</u>	<u>9,083,796</u>	<u>10,183,144</u>	<u>9,240,625</u>	<u>9,916,792</u>	<u>12,520,542</u>	<u>13,514,647</u>	<u>12,902,269</u>	<u>12,527,596</u>
Business-type activities										
Miscellaneous income	-	-	-	-	74	15	-	-	-	-
Transfers	-	-	-	-	-	(224)	-	-	-	10,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>(209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total district-wide	<u>\$ 8,620,227</u>	<u>\$ 9,041,884</u>	<u>\$ 9,083,796</u>	<u>\$ 10,183,144</u>	<u>\$ 9,240,699</u>	<u>\$ 9,916,583</u>	<u>\$ 12,520,542</u>	<u>\$ 13,514,647</u>	<u>\$ 12,902,269</u>	<u>\$ 12,537,596</u>
Change in net position										
Governmental activities	\$ 74,860	\$ 247,777	\$ 182,211	\$ 627,137	\$ (9,466)	\$ 354,879	\$ 899,603	\$ 1,157,931	\$ 1,142,916	\$ 1,230,961
Business-type activities	3,519	(16,844)	(5,809)	13,131	(20,067)	(10,303)	(11,072)	2,330	5,335	(11,457)
Total district	<u>\$ 78,379</u>	<u>\$ 230,933</u>	<u>\$ 176,402</u>	<u>\$ 640,268</u>	<u>\$ (29,533)</u>	<u>\$ 344,576</u>	<u>\$ 888,531</u>	<u>\$ 1,160,261</u>	<u>\$ 1,148,251</u>	<u>\$ 1,219,504</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Restricted	\$ 1,082,770	\$ 1,433,004	\$ 1,754,990	\$ 1,639,568	\$ 1,767,689	\$ 1,936,326	\$ 2,892,087	\$ 3,907,297	\$ 4,721,322	\$ 4,927,924
Committed	30,704	134,612	94,915	21,202	70,092	17,295	9,186	31,085	25,812	151,477
Assigned	-	-	-	-	-	-	60,552	-	15,353	66,669
Unassigned	178,811	160,586	173,029	151,063	213,655	201,902	144,318	157,637	212,857	146,635
Total general fund	<u>\$ 1,292,285</u>	<u>\$ 1,728,202</u>	<u>\$ 2,022,934</u>	<u>\$ 1,811,833</u>	<u>\$ 2,051,436</u>	<u>\$ 2,155,523</u>	<u>\$ 3,106,143</u>	<u>\$ 4,096,019</u>	<u>\$ 4,975,344</u>	<u>\$ 5,292,705</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ -	\$ -	\$ -	\$ 825,296	\$ 20,645	\$ -	\$ 17,593	\$ 17,593	\$ 17,593	\$ 829,970
Committed, reported in										
Capital projects fund	-	-	-	-	-	-	-	-	-	905,432
Assigned, reported in										
Debt service fund	2	2	-	-	-	1	3,863	3,863	-	-
Total all other governmental funds	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 825,296</u>	<u>\$ 20,645</u>	<u>\$ 1</u>	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ 17,593</u>	<u>\$ 1,735,402</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 7,357,793	\$ 7,521,622	\$ 7,664,399	\$ 7,695,802	\$ 7,505,575	\$ 7,855,988	\$ 8,093,499	\$ 8,343,502	\$ 8,542,260	\$ 8,806,417
Tuition charges	71,107	77,807	65,476	40,133	49,800	63,000	76,167	114,680	99,056	103,331
Interest earnings	3,561	3,333	3,240	3,137	1,993	2,049	2,193	7,528	46,488	39,431
Rents and royalties	-	-	-	-	-	-	2,500	2,500	2,500	1,625
Miscellaneous	113,059	58,976	2,368	4,115	82,382	30,271	81,443	87,213	93,917	60,168
State sources	1,400,054	1,591,033	1,687,075	2,183,400	2,008,197	2,155,633	2,169,726	2,311,578	2,450,595	2,371,898
Federal sources	168,754	280,943	168,737	194,574	154,023	151,595	148,000	163,516	159,972	138,013
Total revenues	9,114,328	9,533,714	9,591,295	10,121,161	9,801,970	10,258,536	10,573,528	11,030,517	11,394,788	11,520,883
Expenditures										
Instruction										
Regular instruction	2,557,595	2,522,970	2,416,083	2,368,660	2,505,340	2,622,188	2,766,210	2,829,463	2,868,748	2,795,907
Special education instruction	697,502	751,280	894,437	862,204	887,509	907,768	712,671	624,488	752,580	675,676
Other special instruction	173,287	186,254	200,631	187,410	159,881	174,488	128,612	137,583	142,306	147,755
Other instruction	81,561	80,296	83,870	86,401	74,182	96,169	87,915	92,462	98,831	90,552
Support services										
Tuition	112,101	104,569	63,464	217,694	150,925	193,850	218,350	194,899	184,634	198,609
Student & inst related services	918,932	1,002,375	926,936	1,101,262	1,367,410	1,122,877	805,320	853,480	913,069	1,006,054
General administration	452,659	436,684	427,562	518,365	565,113	491,603	462,223	500,357	544,724	468,242
School administration services	183,339	183,440	187,931	39,922	-	41,100	71,038	71,857	75,156	75,793
Plant operations & maintenance	658,958	592,263	649,672	752,098	634,232	663,821	656,934	719,196	740,146	830,256
Pupil transportation	343,301	344,846	335,094	425,403	415,877	397,360	379,310	378,932	414,802	408,526
Employee benefits	1,915,191	2,119,590	2,355,845	2,207,157	2,362,208	2,531,927	2,559,533	2,789,380	2,920,962	2,992,223
Capital outlay	327,452	295,889	275,747	229,588	923,766	387,061	87,707	100,141	115,584	798,797
Special revenue funds	-	-	-	-	-	-	148,360	164,616	163,972	138,513
Capital projects fund	-	-	-	-	-	-	-	-	-	1,084,598
Debt service										
Principal	305,724	314,782	329,151	373,739	195,000	410,000	435,000	470,000	490,000	510,000
Interest & other charges	173,528	162,559	150,142	137,063	125,575	117,287	99,863	113,787	93,812	74,212
Total expenditures	8,901,130	9,097,797	9,296,565	9,506,966	10,367,018	10,157,499	9,619,046	10,040,641	10,519,326	12,295,713

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over (under) expenditures	\$ 213,198	\$ 435,917	\$ 294,730	\$ 614,195	\$ (565,048)	\$ 101,037	\$ 954,482	\$ 989,876	\$ 875,462	\$ (774,830)
Other financing sources (uses)										
Proceeds from bond issuance	-	-	-	-	-	-	-	-	-	2,820,000
Transfers	-	-	-	-	-	-	-	-	-	(10,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	2,810,000
Net change in fund balances	<u>\$ 213,198</u>	<u>\$ 435,917</u>	<u>\$ 294,730</u>	<u>\$ 614,195</u>	<u>\$ (565,048)</u>	<u>\$ 101,037</u>	<u>\$ 954,482</u>	<u>\$ 989,876</u>	<u>\$ 875,462</u>	<u>\$ 2,035,170</u>
Debt service as a percentage of non-capital expenditures	5.92%	5.73%	5.61%	5.83%	3.51%	5.70%	5.95%	6.24%	5.95%	5.35%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay.

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Interest income	\$ 3,561	\$ 3,333	\$ 3,240	\$ 3,137	\$ 1,993	\$ 2,049	\$ 2,193	\$ 7,528	\$ 46,488	\$ 39,431
Tuition	71,107	77,807	65,476	40,133	49,800	63,000	76,167	114,680	99,056	103,331
Prior year refunds	-	-	-	-	-	-	32,644	40,757	16,712	1,070
Miscellaneous	113,059	58,976	2,368	4,115	63,541	29,171	888	143	16,805	598
Shared service	-	-	-	-	-	-	38,000	36,000	48,000	48,000
Facility rentals	-	-	-	-	-	-	2,500	2,500	2,500	1,625
E-rate	-	-	-	-	-	-	9,521	9,093	8,400	-
Donations	-	-	-	-	-	-	-	-	-	10,000
Book fees	-	-	-	-	-	-	30	120	-	-
Annual totals	<u>\$ 187,727</u>	<u>\$ 140,116</u>	<u>\$ 71,084</u>	<u>\$ 47,385</u>	<u>\$ 115,334</u>	<u>\$ 94,220</u>	<u>\$ 161,943</u>	<u>\$ 210,821</u>	<u>\$ 237,961</u>	<u>\$ 204,055</u>

Source: District Records

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 10,571,520	\$ 12,373,520	\$ 8,649,620	\$ 8,135,620	\$ 6,913,420	\$ 7,096,320	\$ 6,357,320	\$ 5,442,620	\$ 5,323,320	\$ 5,174,520
Residential	595,297,600	594,251,900	515,755,700	525,352,300	536,516,600	537,945,200	537,507,700	541,959,000	543,247,600	548,258,400
Farm regular	265,891,900	268,009,200	229,195,800	225,358,900	217,293,700	217,854,300	219,692,500	217,696,100	219,003,100	217,935,500
Q farm	6,310,000	6,259,300	6,632,300	6,516,700	6,486,910	6,454,510	6,501,710	6,414,610	6,389,910	6,355,310
Commercial	18,830,500	18,597,500	17,203,300	17,196,100	17,273,600	17,745,400	17,968,600	17,834,900	18,069,700	17,720,800
Industrial	8,742,900	8,742,900	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600
Apartment	1,065,700	1,065,700	939,500	939,500	939,500	939,500	939,500	939,500	939,500	961,300
Total assessed value	906,710,120	909,300,020	785,646,820	790,769,720	792,694,330	795,305,830	796,237,930	797,557,330	800,243,730	803,676,430
Public utilities (a)	1,512,092	1,394,200	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 908,222,212	\$ 910,694,220	\$ 785,646,820	\$ 790,769,720	\$ 792,694,330	\$ 795,305,830	\$ 796,237,930	\$ 797,557,330	\$ 800,243,730	\$ 803,676,430
Estimated actual county equalized value	\$ 1,014,206,825	\$ 984,321,465	\$ 956,408,133	\$ 821,549,020	\$ 828,840,956	\$ 880,978,900	\$ 882,054,987	\$ 872,792,000	\$ 861,310,655	\$ 876,801,691
Percentage of net valuation to estimated actual equalized value	89.55%	92.52%	82.15%	96.25%	95.64%	90.28%	90.27%	91.38%	92.91%	91.66%
Total direct school tax rate (b)	\$ 0.84	\$ 0.85	\$ 0.98	\$ 0.97	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.07	\$ 1.10	\$ 1.09

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 and messenger system companies
- (b) Tax rates are per \$100

- * Revalued/Reassessed
- * Limited exemptions and abatements

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Municipality		County		
2011	\$ 0.789	\$ 0.050	\$ 0.839	\$ 0.550	\$ 0.303	\$ 0.370	\$ 2.06	
2012	0.795	0.054	0.849	0.560	0.320	0.370	2.10	
2013	* 0.922	0.061	0.983	0.640	0.370	0.410	2.40	
2014	0.907	0.065	0.972	0.667	0.408	0.416	2.46	
2015	0.949	0.042	0.991	0.686	0.429	0.414	2.52	
2016	0.950	0.068	1.018	0.604	0.438	0.428	2.49	
2017	0.978	0.070	1.048	0.596	0.453	0.411	2.51	
2018	1.001	0.071	1.072	0.590	0.475	0.413	2.55	
2019	1.030	0.071	1.101	0.537	0.485	0.406	2.53	
2020	1.048	0.041	1.089	0.597	0.485	0.412	2.58	

Sources: Municipal Tax Collector

Note: N.J.S.A. 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget 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.

* Revalued/Reassessed

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago

	2020			2011		
	Taxable			Taxable		
	Assessed	% of Total		Assessed	% of Total	
	Value	Rank	District Net Assessed Value	Value	Rank	District Net Assessed Value
Texas Eastern Transmission Corp.	\$ 3,426,400	1	0.43%	\$ 3,984,900	1	0.44%
Trap Rock Industries, Inc.	3,173,800	2	0.39%	3,752,100	2	0.41%
Holly Farm Partners	2,720,900	3	0.34%	3,125,000	3	0.34%
Sentinel Self Storage LLC	2,467,700	4	0.31%	-		-
Cane Poultry Farm, Inc.	2,442,700	5	0.30%	3,044,500	4	0.34%
Individual Property Owner	2,222,000	6	0.28%	2,537,100	5	0.28%
Individual Property Owner	2,092,900	7	0.26%	2,322,000	6	0.26%
Individual Property Owner	1,921,900	8	0.24%	2,301,700	7	0.25%
Individual Property Owner	1,902,400	9	0.24%	2,257,600	8	0.25%
Individual Property Owner	1,788,800	10	0.22%	2,023,000	9	0.22%
Individual Property Owner	-		-	1,946,500	10	0.21%
	<u>\$ 24,159,500</u>		<u>3.01%</u>	<u>\$ 27,294,400</u>		<u>3.00%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2011	\$ 7,357,793	\$ 7,357,793	100.00%
2012	7,521,622	7,521,622	100.00%
2013	7,664,399	7,664,399	100.00%
2014	7,695,802	7,695,802	100.00%
2015	7,505,575	7,505,575	100.00%
2016	7,855,988	7,855,988	100.00%
2017	8,093,499	8,093,499	100.00%
2018	8,343,502	8,343,502	100.00%
2019	8,542,260	8,542,260	100.00%
2020	8,806,417	8,806,417	100.00%

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

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 4,062,673	\$ -	\$ -	\$ -	\$ -	\$ 4,062,673	1.28%	\$ 894	
2012	3,747,890	-	-	-	-	3,747,890	1.15%	828	
2013	3,418,739	-	-	-	-	3,418,739	1.01%	756	
2014	3,045,000	-	-	-	-	3,045,000	0.90%	675	
2015	3,000,000	-	-	-	-	3,000,000	0.85%	668	
2016	2,440,000	-	-	-	-	2,440,000	0.67%	547	
2017	2,005,000	-	-	-	-	2,005,000	0.54%	449	
2018	1,535,000	-	-	-	-	1,535,000	0.41%	345	
2019	1,045,000	-	-	-	-	1,045,000	0.26%	236	
2020	3,355,000	-	-	-	-	3,355,000	N/A	758	

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-14 for personal income and population data.
 These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 4,062,673	\$ -	\$ 4,062,673	0.45%	\$ 894
2012	3,747,890	-	3,747,890	0.41%	828
2013	3,418,739	-	3,418,739	0.44%	756
2014	3,045,000	-	3,045,000	0.39%	675
2015	3,000,000	-	3,000,000	0.38%	668
2016	2,440,000	-	2,440,000	0.31%	547
2017	2,005,000	-	2,005,000	0.25%	449
2018	1,535,000	-	1,535,000	0.19%	345
2019	1,045,000	-	1,045,000	0.13%	236
2020	3,355,000	-	3,355,000	0.42%	758

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 9,076,850	100.00%	\$ 9,076,850
Regional High School	4,145,000	9.16%	379,482
County general obligation debt	85,870,478	4.01%	<u>3,443,854</u>
Subtotal, overlapping debt			12,900,186
School district direct debt			<u>3,865,000</u>
Total direct and overlapping debt			<u><u>\$ 16,765,186</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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 the municipality. This process recognizes that when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

		Equalized Valuation Basis
	2019	\$ 873,056,655
	2018	858,419,255
	2017	871,348,140
		\$ 2,602,824,050
Average equalized valuation of taxable property		\$ 867,608,017
Debt limit (3.0% of average equalization value)	(a)	\$ 26,028,241
Total net debt applicable to limit		3,355,000
Legal debt margin		\$ 22,673,241

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 26,734,162	\$ 26,736,820	\$ 26,663,971	\$ 26,103,097	\$ 26,028,241
Total net debt applicable	2,440,000	2,005,000	1,535,000	1,045,000	3,355,000
Legal debt margin	\$ 24,294,162	\$ 24,731,820	\$ 25,128,971	\$ 25,058,097	\$ 22,673,241
Total net debt applicable to the limit as a percentage of debt limit	9.13%	7.50%	5.76%	4.00%	12.89%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 30,182,908	\$ 29,439,854	\$ 28,286,178	\$ 27,288,791	\$ 26,520,639
Total net debt applicable	4,062,673	3,747,890	3,418,739	3,045,000	3,000,000
Legal debt margin	\$ 26,120,235	\$ 25,691,964	\$ 24,867,439	\$ 24,243,791	\$ 23,520,639
Total net debt applicable to the limit as a percentage of debt limit	13.46%	12.73%	12.09%	11.16%	11.31%

Source: Equalized Valuation Basis was obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2011	4,544	\$ 326,918,080	\$ 71,945	5.2%
2012	4,524	340,376,712	75,238	5.9%
2013	4,521	339,377,907	75,067	5.0%
2014	4,512	354,877,824	78,652	4.1%
2015	4,492	364,108,044	81,057	3.4%
2016	4,463	373,307,635	83,645	3.4%
2017	4,463	379,167,554	84,958	2.8%
2018	4,444	398,226,840	89,610	2.4%
2019	4,425	N/A	N/A	2.3%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

DELAWARE TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2020

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2011

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	35.0	35.0	34.0	34.0	35.0	35.0	36.5	34.0	35.6	37.5
Special education	7.0	7.0	7.0	7.0	10.0	9.0	10.0	11.7	13.3	12.8
Other special education	4.0	4.0	4.0	4.0	4.0	4.0	3.9)	2.0)	-)	-
Support services										
Student and instruction related services	13.0	13.0	13.0	13.0	10.0	10.0	10.7	7.1	11.7	9.0
General administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
School administration services	3.0	3.0	2.0	2.0	2.0	2.0	1.0	3.1	2.1	2.1
Plant operations and maintenance	5.0	5.0	5.0	5.0	5.0	5.0	4.6	5.8	6.4	5.3
Transportation services	6.0	6.0	6.0	6.0	1.0	1.0	0.6	0.6	0.2	0.4
Total	<u>77.0</u>	<u>77.0</u>	<u>75.0</u>	<u>75.0</u>	<u>71.0</u>	<u>70.0</u>	<u>71.2</u>	<u>68.3</u>	<u>73.3</u>	<u>71.1</u>

Source: District Personnel Records

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	463	\$ 8,094,426	\$ 17,483	5.20%	46.0	1:10	458.0	458.0	-4.58%	100.00%
2012	432	8,324,567	19,270	10.22%	43.0	1:19	479.0	439.0	4.59%	91.65%
2013	410	8,541,525	20,833	8.11%	45.0	1:19	432.0	456.0	-9.81%	105.56%
2014	411	8,766,576	21,330	2.39%	48.0	1:18	408.0	424.0	-5.56%	103.92%
2015	389	9,122,677	23,452	9.95%	45.0	1:18	411.0	396.0	0.74%	96.35%
2016	404	9,243,151	22,879	-2.44%	49.0	1:18	400.2	380.8	-2.63%	95.15%
2017	388	8,996,476	23,187	1.34%	49.0	1:14	384.2	367.3	-4.00%	95.60%
2018	386	9,356,713	24,240	4.54%	44.7	1:14	389.0	370.7	1.25%	95.30%
2019	373	9,819,930	26,327	8.61%	43.5	1:9	372.9	356.0	-4.14%	95.47%
2020	376	9,828,106	26,139	-0.72%	43.1	1:9	375.4	363.3	0.67%	96.78%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Delaware Township Elementary</u>										
Square feet	91,575	91,575	91,575	91,575	91,575	91,575	97,575	104,893	104,893	104,893
Capacity (students)	620.0	620.0	620.0	620.0	620.0	620.0	620.0	620	620	620
Enrollment	477	463	432	410	389	379	384	364	373	378
<u>Garage (2013)</u>										
Square feet	N/A	N/A	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<u>Number of schools at June 30, 2020:</u>										
Elementary	1									
Other	1									

Source: District Facilities Office

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

N/A = Not Available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ended</u>	<u>Amount</u>	<u>Total</u>
2011	\$ 209,042	\$ 209,042
2012	197,766	197,766
2013	222,999	222,999
2014	266,920	266,920
2015	173,899	173,899
2016	212,079	212,079
2017	153,166	153,166
2018	189,217	189,217
2019	213,367	213,367
2020	317,026	317,026
Total school facilities	<u>\$ 2,155,481</u>	<u>\$ 2,155,481</u>

Source: District Records

Note: School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - School Alliance Insurance Fund		
Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 2,500
Accounts Receivable	2,500,000	2,500
Automobile Physical Damage	In Blanket Limit	1,000
Builders Risk	25,000,000	2,500
Electronic Data Processing Equipment	In Blanket Limit	2,500
Comprehensive General Liability	5,000,000	-
Automobile Liability	5,000,000	-
Employee Benefit Liability	5,000,000	1,000
Excess Liability	5,000,000	-
Crime		
Blanket Employee Dishonesty	500,000	1,000
Forgery/Theft	50,000	1,000
School Board Legal Liability	5,000,000	5,000
Workers' Compensation - School Alliance Insurance Fund		
(a) Statutory Benefits	Included	-
(a) Employer's Liability	5,000,000	-
Supplemental Coverage (optional)	Included	-
Environmental Impairment Liability - School Alliance Insurance Fund through ACE Insurance Company		
Per incident	1,000,000	10,000
Fund annual aggregate	25,000,000	-
Public Employees' Faithful Performance Blanket Position Bond - Selective Insurance Company		
School Business Administrator	180,000	-

See independent auditors' report.

SINGLE AUDIT SECTION



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**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delaware Township School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency as finding number 2020-001.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Response to Findings

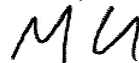
Delaware Township School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express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

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 audit requirements as prescribed by 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.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA

NO. 20CS00265600

January 18, 2021
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform
Guidance and New Jersey OMB Circular 15-08-OMB**

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

Report on Compliance for Each Major State Program

We have audited the Delaware Township School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2020. The District's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and the 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the 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 federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 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 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.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 18, 2021
Flemington, New Jersey

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/19	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2020				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education Special Revenue Fund																	
Title I A	84.010A	S010S190030	ESSA-1040-20	\$ 15,704	07/01/19	06/30/20	\$ -	\$ -	\$ 14,274	\$ 15,704	\$ -	\$ -	\$ (1,430)	\$ -	\$ -		
Title I A	84.010A	S010S180030	ESSA-1040-19	16,757	07/01/18	06/30/19	(16,757)	-	16,757	-	-	-	-	-	-		
Title II A	84.367A	S367A190029	ESSA-1040-20	5,156	07/01/19	06/30/20	-	-	4,227	5,156	-	-	(929)	-	-		
Title II A	84.367A	S367A180029	ESSA-1040-19	5,008	07/01/18	06/30/19	(5,008)	-	5,008	-	-	-	-	-	-		
Title IV	84.424	S424A190031	ESSA-1040-20	10,000	07/01/19	06/30/20	-	-	10,000	10,000	-	-	-	-	-		
Title IV	84.424	S424A180031	ESSA-1040-19	10,000	07/01/18	06/30/19	(9,958)	-	10,000	42	-	-	-	-	-		
IDEA Basic	84.027	H027A180100	IDEA-1040-19	84,753	07/01/18	06/30/19	(1,031)	-	4,031	3,000	-	-	-	-	-		
IDEA Basic	84.027	H027A190100	IDEA-1040-20	84,369	07/01/19	06/30/20	-	-	80,309	81,369	-	-	(1,060)	-	-		
IDEA Preschool	84.173	H173S190114	IDEA-1040-20	6,205	07/01/19	06/30/20	-	-	456	6,233	-	-	(5,777)	-	-		
Rural Education Achievement Program	84.358A	S358B183030	S358A184195	37,884	07/01/18	09/30/19	(37,884)	-	37,884	-	-	-	-	-	-		
Rural Education Achievement Program	84.358A	S358B190030	S358A194203	34,400	07/01/19	09/30/20	-	-	9,589	34,400	-	-	(24,811)	-	-		
Total Special Revenue Fund							<u>(70,638)</u>	<u>-</u>	<u>192,535</u>	<u>155,904</u>	<u>-</u>	<u>-</u>	<u>(34,007)</u>	<u>-</u>	<u>-</u>		
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Center																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	191NJ304N1099	N/A	8,631	10/01/18	09/30/19	1,190	-	-	1,190	-	-	-	-	-		
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	10,712	10/01/19	09/30/20	-	-	10,712	8,486	-	-	-	2,226	-		
National School Lunch Program																	
Cash Assistance	10.555	191NJ304N1099	N/A	16,898	10/01/18	09/30/19	(3,551)	-	-	-	-	-	(3,551)	-	-		
National School Lunch Program																	
Cash Assistance	10.555	201NJ304N1099	N/A	14,666	10/01/19	09/30/20	-	-	12,930	14,666	-	-	(1,736)	-	-		
Total Enterprise Fund							<u>(2,361)</u>	<u>-</u>	<u>23,642</u>	<u>24,342</u>	<u>-</u>	<u>-</u>	<u>(5,287)</u>	<u>2,226</u>	<u>-</u>		
Total Federal Financial Assistance							<u>\$ (72,999)</u>	<u>\$ -</u>	<u>\$ 216,177</u>	<u>\$ 180,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,294)</u>	<u>\$ 2,226</u>	<u>\$ -</u>		

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustmen Repaymen	Balance June 30, 2020			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	20-495-034-5120-089	\$ 267,084	07/01/19	06/30/20	\$ -	\$ -	\$ 241,104	\$ 267,084	\$ -	\$ -	\$ -	\$ -	\$ 25,980	\$ 267,084
School Choice Aid	20-495-034-5120-068	275,362	07/01/19	06/30/20	-	-	248,577	275,362	-	-	-	-	26,785	275,362
Security Aid	20-495-034-5120-084	34,010	07/01/19	06/30/20	-	-	30,702	34,010	-	-	-	-	3,308	34,010
Adjustment Aid	20-495-034-5120-085	318,795	07/01/19	06/30/20	-	-	287,785	318,795	-	-	-	-	31,010	318,795
Transportation Aid	20-495-034-5120-014	167,383	07/01/19	06/30/20	-	-	151,101	167,383	-	-	-	-	16,282	167,383
Extraordinary Aid	20-495-034-5120-044	21,734	07/01/19	06/30/20	-	-	-	21,734	-	(21,734)	-	-	-	21,734
Extraordinary Aid	19-100-034-5120-473	87,029	07/01/18	06/30/19	(87,029)	-	87,029	-	-	-	-	-	-	87,029
Non-Public Transportation Aid	19-495-034-5120-014	4,640	07/01/18	06/30/19	(4,640)	-	4,640	-	-	-	-	-	-	4,640
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	20-495-034-5094-002	731,116	07/01/19	06/30/20	-	-	731,116	731,116	-	-	-	-	-	731,116
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004	13,104	07/01/19	06/30/20	-	-	13,104	13,104	-	-	-	-	-	13,104
On-Behalf TPAF Pension Contribution - Postretirement Medical	20-495-034-5094-001	276,092	07/01/19	06/30/20	-	-	276,092	276,092	-	-	-	-	-	276,092
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004	442	07/01/19	06/30/20	-	-	442	442	-	-	-	-	-	442
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	259,460	07/01/18	06/30/19	(12,720)	-	12,720	-	-	-	-	-	-	259,460
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	266,330	07/01/19	06/30/20	-	-	252,967	266,330	-	(13,363)	-	-	-	266,330
Total General Fund					<u>(104,389)</u>	<u>-</u>	<u>2,337,379</u>	<u>2,371,452</u>	<u>-</u>	<u>(35,097)</u>	<u>-</u>	<u>-</u>	<u>103,365</u>	<u>2,722,581</u>
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	919	07/01/18	06/30/19	(192)	-	-	-	-	(192)	-	-	-	919
State School Lunch Program	20-100-010-3350-023	676	07/01/19	06/30/20	-	-	587	676	-	(89)	-	-	-	676
Total Enterprise Fund					<u>(192)</u>	<u>-</u>	<u>587</u>	<u>676</u>	<u>-</u>	<u>(281)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,595</u>
Total State Financial Assistance					<u>\$ (104,581)</u>	<u>\$ -</u>	<u>\$ 2,337,966</u>	<u>2,372,128</u>	<u>\$ -</u>	<u>\$ (35,378)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,365</u>	<u>\$ 2,724,176</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	20-495-034-5094-002							731,116						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004							13,104						
On-Behalf TPAF Pension Contribution - Postretirement Medical	20-495-034-5094-001							276,092						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004							442						
Total for State Financial Assistance - Major Program Determination								<u>\$ 1,351,374</u>						

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Delaware Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance 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 Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$446 for the general fund and \$(18,628) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Local	Federal	State	Total
General fund	\$ -	\$ -	\$ 2,371,898	\$ 2,371,898
Special revenue fund	500	138,013	-	138,513
Food service fund	-	24,342	676	25,018
Total awards and financial assistance	<u>\$ 500</u>	<u>\$ 162,355</u>	<u>\$ 2,372,574</u>	<u>\$ 2,535,429</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 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2020.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes No

Noncompliance material to basic financial statements noted? Yes No

Federal Awards Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs? _____

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)? Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs? _____

Did the auditee qualify as a low-risk auditee? Yes No

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes ___ No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? ___ Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes ___ No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>20-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>20-495-034-5120-084</i>	<i>Special Education Categorical Aid</i>
<i>20-495-034-5120-085</i>	<i>Security Aid</i>
<i>20-495-034-5120-068</i>	<i>Adjustment Aid</i>
	<i>School Choice Aid</i>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II and III
For the Fiscal Year Ended June 30, 2020

Section II - Financial Statement Findings

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

Finding 2020-001

Criteria

Accounts receivable should be supported by outstanding invoices.

Condition

Total outstanding invoices did not equal total accounts receivable.

Context

Accounts receivable accounting entries were not accurately classified.

Cause

Procedures were not in place to ensure that outstanding invoices reconcile to accounts receivable.

Effect

Accounts receivable amounts were not accurate.

Recommendation

The District should implement procedures to ensure that outstanding invoices reconcile to total accounts receivable.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II and III (continued)
For the Fiscal Year Ended June 30, 2020

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the year ended June 30, 2020.

**DELAWARE TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2020**

Status of Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has been taken on all prior year findings.