

**SCHOOL DISTRICT
OF**

**DELTRAN
TOWNSHIP**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual
Financial Report**

of the

Delran Township Board of Education

Delran, New Jersey

For the Fiscal Year Ended June 30, 2020

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

DELRAN TOWNSHIP SCHOOL DISTRICT

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Introductory Section

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

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

December 18, 2020

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Delran Township School District for the fiscal year ended June 30, 2020 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular vocational as well as special education or handicapped youngsters. The District completed the 19-20 fiscal year with an average daily enrollment of 2,984 students,

which is 23 students more than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last 10 years.

<u>Average Daily Enrollment</u>			
Fiscal Year		Student Enrollment	Percent Change
2019-2020		2,984	0.81%
2018-2019		2,961	0.50%
2017-2018		2,946	-1.21%
2016-2017		2,982	-1.26%
2015-2016		3,020	1.38%
2014-2015		2,979	0.78%
2013-2014		2,956	4.16%
2012-2013		2,838	-4.86%
2011-2012		2,983	2.37%
2010-2011		2,914	-0.72%
2009-2010		2,935	

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

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

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

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

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

The district is engaged in an examination of the curriculum program in all areas of STEM, robotics and sustainability. This has resulted in continued professional development opportunities that have been funded by the Board and grant sources. The district has also increased its programs in the arts, as well. Currently we have expanded the offerings at the

intermediate school, funding after school club, which is in addition to the programs at the 6-12 level.

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

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

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

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

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

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

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

The district transitioned to a fully remote instructional model from March-June, 2020; a hybrid instructional model from September 1, 2020 through November 13, 2020 before transitioning back to a remote model from November 16, 2020 through the calendar year.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

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

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the staff of the Delran Public Schools for their concern in providing fiscal accountability to the citizens and

taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the support staff employed in the Business Office.

Respectfully submitted,

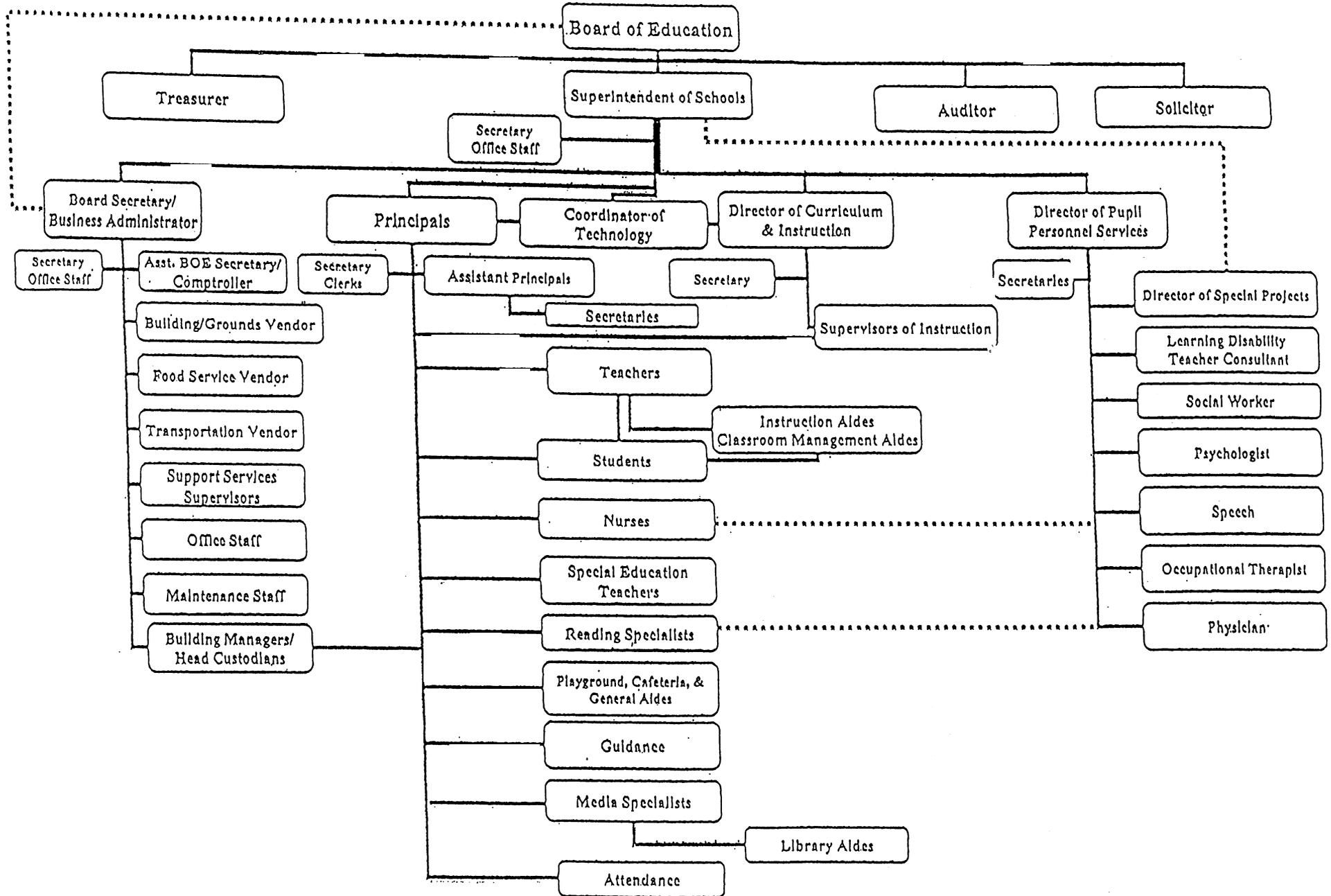


Brian Brotschul, Ed. D.
Superintendent



Cande Kristoff
Board Secretary/Business Administrator

DELRAN BOARD OF EDUCATION
Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Glenn Kitley, President	2022
Joseph Biluck, Jr., Vice-President	2020
Pam Anderson	2020
Mark Chierici	2022
Dawn Flanagan	2022
Mary Melvin	2020
Mark Oberg	2021
Amy Rafanello	2021
Eileen Wachter	2020

Other Officials

Dr. Brian Brotschul, Superintendent
Cande Kristoff, Business Administrator
Dorothea Jones, Treasurer
Jonathan Busch, Solicitor

**DELRAN TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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

Attorney

Busch Law Group
405 Main Street
Metuchen, NJ 08840

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

TD Bank
1050 South Chester Avenue
Delran, NJ 08075

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

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Marlton, New Jersey 08053
(856) 983-2244
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delran Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 18, 2020 on my consideration of the Delran Township School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delran Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
December 18, 2020

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Delran Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

As management of the Board of Education of the Township of Delran, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The liabilities of the School District exceeded the assets at the close of the most recent fiscal year by \$5,199,110 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$10,966,677. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District decreased by \$11,653,509 or an 180.55% decrease from the prior fiscal year-end balance. The majority of the decrease is attributable to the results of fixed asset adjustments.
- Fund balance of the School District's governmental funds increased by \$3,065,970 resulting in an ending fund balance of \$8,881,453. The majority of the increase is attributable to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$368,901 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$2,779,260 which is the result of principal payments on debt obligations, the increase of compensated absences, and the decreases in net pension liability.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2021. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2021.

The liabilities of the primary government activities exceeded assets by \$5,939,212 with an unrestricted deficit balance of \$10,966,677. The net position of the primary government does not include internal balances.

A net investment of (\$4,026,452) in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,984 public school students. Net position of \$3,852,514 has been restricted to provide resources for future capital expansion and renovation projects while \$1,487,116 has been restricted for budget appropriation, \$1,860,190 is reserved for maintenance, \$4,080 is reserved for future debt service, and \$1,850,017 has been restricted for encumbrances.

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

**Delran Township School District
Comparative Summary of Net Position
As of June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activites		District-Wide	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current assets	\$ 9,393,328	\$ 6,518,213	\$ 408,273	\$ 604,015	\$ 9,801,601	\$ 7,122,228
Capital assets	19,654,518	36,220,118	371,201	314,557	20,025,719	36,534,675
Total assets	29,047,846	42,738,331	779,474	918,572	29,827,320	43,656,903
Deferred Outflows of Resources	2,837,009	3,677,164			2,837,009	3,677,164
LIABILITIES						
Current liabilities	3,488,169	3,632,912	39,372	35,466	3,527,541	3,668,378
Noncurrent liabilities	31,294,264	34,088,307			31,294,264	34,088,307
Total Liabilities	34,782,433	37,721,219	39,372	35,466	34,821,805	37,756,685
Deferred Inflows of Resources	3,041,634	3,122,983			3,041,634	3,122,983
Net Position	\$ (5,939,212)	\$ 5,571,293	\$ 740,102	\$ 883,106	\$ (5,199,110)	\$ 6,454,399
Net Position Consists of:						
Net investment in						
Capital Assets	(4,026,452)	9,030,715	371,201	224,091	(3,655,251)	9,254,806
Restricted Assets	9,053,917	5,436,509			9,053,917	5,436,509
Unrestricted Assets	(10,966,677)	(10,861,221)	368,901	573,706	(10,597,776)	(10,287,515)
Net Position	\$ (5,939,212)	\$ 3,606,003	\$ 740,102	\$ 797,797	\$ (5,199,110)	\$ 4,403,800

Governmental Activities

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

- Long term debt decreased \$2,779,260.
- Capital assets had a net decrease of \$16,565,600.

Business-type Activities

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

- The Food Services Fund had a net loss of \$143,004 for this fiscal year.

Delran Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Charges for services	\$ -	\$ -	\$ 528,188	\$ 760,328	\$ 528,188	\$ 760,328
Operating Grants and contributions	17,567,684	18,959,751	585,053	528,372	18,152,737	19,488,123
Property taxes	34,652,392	33,898,652			34,652,392	33,898,652
State aid - unrestricted	16,492,207	14,095,659			16,492,207	14,095,659
Tuition	110,696	60,249			110,696	60,249
Other revenues	319,777	420,955			319,777	420,955
Total Revenues	<u>69,142,756</u>	<u>67,435,266</u>	<u>1,113,241</u>	<u>1,288,700</u>	<u>70,255,997</u>	<u>68,723,966</u>
Expenses:						
Governmental Activities:						
Instruction	21,591,293	21,124,013			21,591,293	21,124,013
Tuition	2,478,924	2,690,482			2,478,924	2,690,482
Related Services	5,803,141	5,988,726			5,803,141	5,988,726
Administrative Services	2,902,798	2,811,114			2,902,798	2,811,114
Operations and Maintenance	22,004,120	4,904,280			22,004,120	4,904,280
Transportation	1,794,948	2,345,489			1,794,948	2,345,489
Employee benefits	23,433,200	24,849,063			23,433,200	24,849,063
Charter Schools	20,421	19,535			20,421	19,535
Interest on debt	614,423	699,256			614,423	699,256
Other	9,993	38,018			9,993	38,018
Business-Type Activities:						
Food Service			1,256,245	1,203,391	1,256,245	1,203,391
Total Expenses	<u>80,653,261</u>	<u>65,469,976</u>	<u>1,256,245</u>	<u>1,203,391</u>	<u>81,909,506</u>	<u>66,673,367</u>
Increase (Decrease) in Net Position before transfers	(11,510,505)	1,965,290	(143,004)	85,309	(11,653,509)	2,050,599
Transfers						
Change in Net Position	<u>(11,510,505)</u>	<u>1,965,290</u>	<u>(143,004)</u>	<u>85,309</u>	<u>(11,653,509)</u>	<u>2,050,599</u>
Net Position, July 1	5,571,293	3,606,003	883,106	797,797	6,454,399	4,403,800
Net Position, June 30	<u><u>\$ (5,939,212)</u></u>	<u><u>\$ 5,571,293</u></u>	<u><u>\$ 740,102</u></u>	<u><u>\$ 883,106</u></u>	<u><u>\$ (5,199,110)</u></u>	<u><u>\$ 6,454,399</u></u>

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$8,881,453 an increase of \$3,065,970 in comparison with the prior year. Most of this increase is the result of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of (\$172,464), \$506,102 for the Capital Projects Fund and \$4,080 for the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$3,346,412, 2) appropriated as a revenue source in the subsequent year's budget \$783,967, 3) reserved for excess surplus in accordance with state statute \$703,149, 4) reserved for encumbrances \$1,850,017, 5) reserved for maintenance \$1,860,190.

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

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the General Fund was \$1,299,003, while total fund balance (budgetary basis) was \$9,842,738. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$53,158,444. Unreserved fund balance (budgetary basis) represents 2.44% of expenditures while total fund balance (budgetary basis) represents 18.52% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$20,025,719 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$16,565,600, or a 45.34% decrease. The decrease is due to depreciation less current year additions.

Delran Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Construction in Progress	\$ 777,764	\$ 25,198,232	\$ -	\$ -	\$ 777,764	\$ 25,198,232
Building and Building Improvements	18,456,174	10,597,141			18,456,174	10,597,141
Equipment	420,580	424,745	371,201	314,557	791,781	739,302
Net Assets	<u>\$ 19,654,518</u>	<u>\$ 36,220,118</u>	<u>\$ 371,201</u>	<u>\$ 314,557</u>	<u>\$ 20,025,719</u>	<u>\$ 36,534,675</u>

Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2020, the School District had total bonded debt outstanding of \$20,435,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$3,809,880, \$1,058,374 in compensated absences, and \$7,490,846 in net pension liability.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$63,822,341 and the available borrowing capacity was \$43,387,341.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2020-21 fiscal year.

- For the 2020-21 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$653,797 or 2.00%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2020-21 General Fund Budget is \$2,160,057 greater than the previous year or a 4.27% increase. The district tax rate increased from \$2.422 in 2019 to \$2.454 in 2020.

For the Future

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

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

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 2,390,920	\$ 355,932	\$ 2,746,852
Receivables, net	1,795,806	33,190	1,828,996
Inventory		19,151	19,151
Restricted assets:			
Restricted cash and cash equivalents	5,206,602		5,206,602
Capital assets, net (Note 5)	19,654,518	371,201	20,025,719
Total assets	<u>29,047,846</u>	<u>779,474</u>	<u>29,827,320</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on Defeasance	1,295,634		1,295,634
Deferred outflows of resources from pensions	1,541,375		1,541,375
Total Deferred outflows of resources	<u>2,837,009</u>	<u>-</u>	<u>2,837,009</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>31,884,855</u>	<u>779,474</u>	<u>32,664,329</u>
LIABILITIES:			
Accounts payable			
Related to pensions	465,704		465,704
Other	239,111	1,160	240,271
Payable to state government	83,809		83,809
Unearned revenue	98,525	38,212	136,737
Other Liabilities	90,430		90,430
Accrued interest	279,030		279,030
Noncurrent liabilities:			
Due within one year	2,231,560		2,231,560
Due beyond one year	31,294,264		31,294,264
Total liabilities	<u>34,782,433</u>	<u>39,372</u>	<u>34,821,805</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	3,041,634		3,041,634
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>37,824,067</u>	<u>39,372</u>	<u>37,863,439</u>
NET POSITION:			
Net investment in capital assets	(4,026,452)	371,201	(3,655,251)
Restricted for:			
Debt Service Fund	4,080		4,080
Capital Projects	3,852,514		3,852,514
Other purposes	5,197,323		5,197,323
Unrestricted	(10,966,677)	368,901	(10,597,776)
Total Net Position	<u>\$ (5,939,212)</u>	<u>\$ 740,102</u>	<u>\$ (5,199,110)</u>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 15,045,728	\$ 110,696	\$ 697,879	\$ (14,237,153)	\$ -	\$ (14,237,153)
Special education	5,031,505		523,609	(4,507,896)		(4,507,896)
Other instruction	1,514,060			(1,514,060)		(1,514,060)
Support Services:						
Tuition	2,478,924			(2,478,924)		(2,478,924)
Student & instruction related services	5,803,141		223,370	(5,579,771)		(5,579,771)
General administrative services	786,683			(786,683)		(786,683)
School administrative services	1,525,236			(1,525,236)		(1,525,236)
Central services	590,879			(590,879)		(590,879)
Plant operations and maintenance	22,004,120		476,097	(21,528,023)		(21,528,023)
Pupil transportation	1,794,948			(1,794,948)		(1,794,948)
Employee benefits	23,433,200		15,646,729	(7,786,471)		(7,786,471)
Charter school	20,421			(20,421)		(20,421)
Interest on long-term debt	614,423		-	(614,423)		(614,423)
Unallocated depreciation and amortization	9,993			(9,993)		(9,993)
Total governmental activities	<u>80,653,261</u>	<u>110,696</u>	<u>17,567,684</u>	<u>(62,974,881)</u>		<u>(62,974,881)</u>
Business-type activities:						
Food Service	1,256,245	528,188	585,053		(143,004)	(143,004)
Total business-type activities	<u>1,256,245</u>	<u>528,188</u>	<u>585,053</u>		<u>(143,004)</u>	<u>(143,004)</u>
Total primary government	<u>\$ 81,909,506</u>	<u>\$ 638,884</u>	<u>\$ 18,152,737</u>	<u>(62,974,881)</u>	<u>(143,004)</u>	<u>(63,117,885)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				32,689,841		32,689,841
Taxes levied for debt service				1,962,551		1,962,551
Federal and state aid not restricted				16,492,207		16,492,207
Miscellaneous income				319,777		319,777
Total general revenues, special items, extraordinary items and transfers				<u>51,464,376</u>	<u>-</u>	<u>51,464,376</u>
Change in Net Position				<u>(11,510,505)</u>	<u>(143,004)</u>	<u>(11,653,509)</u>
Net Position--July 1				<u>5,571,293</u>	<u>883,106</u>	<u>6,454,399</u>
Net Position--June 30				<u>\$ (5,939,212)</u>	<u>\$ 740,102</u>	<u>\$ (5,199,110)</u>

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

Fund Financial Statements

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 1,981,427	\$ -	\$ 409,493	\$ -	\$ 2,390,920
Receivables, net	734,961	758,394	302,451		1,795,806
Interfund receivables, net	595,280		45,865	6,571	647,716
Restricted cash and cash equivalents	5,206,602				5,206,602
Total assets	8,518,270	758,394	757,809	6,571	10,041,044
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	3,934	235,177			239,111
Intergovernmental payable:					
State		83,809			83,809
Interfund payables	138,465	345,483	251,707	2,491	738,146
Unearned revenues	4,600	93,925			98,525
Total liabilities	146,999	758,394	251,707	2,491	1,159,591
Fund Balances:					
Restricted for:					
Excess surplus	703,149				703,149
Excess surplus - designated for subsequent year's expenditures	743,547				743,547
Maintenance reserve	1,860,190				1,860,190
Capital reserve	3,346,412				3,346,412
Assigned to:					
Year-end encumbrances	1,850,017				1,850,017
Subsequent year's expenditures	40,420			4,080	44,500
Unassigned	(172,464)		506,102		333,638
Total fund balances	8,371,271		506,102	4,080	8,881,453
Total liabilities and fund balances	\$ 8,518,270	\$ 758,394	\$ 757,809	\$ 6,571	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$63,329,612 and the accumulated depreciation is \$43,675,094.	19,654,518
Deferred Loss on Defeasance	1,295,634
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(279,030)
Accounts payable related to the April 1, 2019 required PERS contribution that is not to be liquidated with current financial resources.	(465,704)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of Resources from Pensions	\$ 1,541,375
Net Pension Liability	(7,490,846)
Deferred Inflows of Resources from Pensions	(3,041,634)
	(8,991,105)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
General Obligation Bonds	(20,435,000)
Bond Premium	(731,724)
Capital Lease Payable	(3,809,880)
Compensated Absences Payable	(1,058,374)
	(26,034,978)
Net position of governmental activities	\$ (5,939,212)

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 32,689,841	\$ -	\$ -	\$ 1,962,551	\$ 34,652,392
Tuition charges	110,696				110,696
Miscellaneous	319,777				319,777
Total revenues-local sources	33,120,314	-	-	1,962,551	35,082,865
Local Sources		569,838			569,838
State sources	23,061,721	107,973		377,752	23,547,446
Federal sources	44,870	1,289,010			1,333,880
Total revenues	56,226,905	1,966,821	-	2,340,303	60,534,029
EXPENDITURES:					
Current expense:					
Regular instruction	14,207,785	697,879			14,905,664
Special education instruction	4,507,896	523,609			5,031,505
Other instruction	1,514,060				1,514,060
Support services and undistributed costs:					
Tuition	2,478,924				2,478,924
Student & instruction related services	5,579,771	223,370			5,803,141
General administrative services	654,551				654,551
School administrative services	1,525,236				1,525,236
Central services	464,758				464,758
Admin. Info. Tech	126,121				126,121
Plant operations and maintenance	4,179,560				4,179,560
Pupil transportation	1,794,948				1,794,948
Unallocated employee benefits	14,814,622	45,866			14,860,488
Capital outlay	1,289,791	476,097			1,765,888
Transfer of funds to charter schools	20,421				20,421
Debt service:					
Principal				1,700,000	1,700,000
Interest and other charges				642,794	642,794
Total expenditures	53,158,444	1,966,821	-	2,342,794	57,468,059
Excess (deficiency) of revenues over (under) expenditures	3,068,461	-	-	(2,491)	3,065,970
Other Financing Sources (Uses):					
Proceeds of capital lease					
Operating transfer in					
Operating transfer out					
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	3,068,461		-	(2,491)	3,065,970
Fund balances, July 1	5,302,810		506,102	6,571	5,815,483
Fund balances, June 30	\$ 8,371,271	\$ -	\$ 506,102	\$ 4,080	\$ 8,881,453

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

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

Total net change in fund balances - governmental funds (from B-2)	\$	3,065,970
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p style="padding-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	\$	(1,259,450)
Adjustment		(17,437,743)
Capital outlay		<u>2,131,593</u>
		(16,565,600)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.</p>		
		1,796,366
<p>Deferred loss on refunding arising from the issuance of the refunding school bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.</p>		
		(133,742)
<p>Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.</p>		
		345,794
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		36,015
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation.</p>		
		28,371
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(83,679)</u>
Change in net position of governmental activities	\$	<u>(11,510,505)</u>

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

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

	Business-type Activities Enterprise Funds
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 355,932
Accounts receivable	33,190
Inventories	19,151
Total current assets	408,273
Noncurrent assets:	
Equipment	976,644
Less accumulated depreciation	(605,443)
Total noncurrent assets	371,201
Total assets	779,474
LIABILITIES	
Current liabilities:	
Accounts Payable	1,160
Unearned revenue	38,212
Total liabilities	39,372
NET POSITION	
Net investment in capital assets	371,201
Unrestricted	368,901
Total net position	\$ 740,102

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

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

	Business-type Activities Enterprise Funds
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 289,657
Daily sales-non-reimbursable programs	238,531
	528,188
Operating expenses:	
Salaries	434,814
Employee benefits	81,149
Supplies and materials	39,012
Depreciation	50,586
Management fee	88,352
Purchased professional services	8,454
Repairs and maintenance of equipment	71,303
Cost of sales - reimbursable programs	333,572
Cost of sales - nonreimbursable programs	100,741
Direct expenses	29,597
Other expenses	18,665
	1,256,245
Total operating expenses	1,256,245
Operating income (loss)	(728,057)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	10,330
Federal sources:	
National school lunch program	356,811
National school breakfast program	133,023
U.S.D.A. commodities	84,889
	585,053
Total nonoperating revenues (expenses)	585,053
Change in net position	(143,004)
Net position- July 1	883,106
Net position - June 30	\$ 740,102

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

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

	Business-type Activities Enterprise Funds <hr/> Food Service Program <hr/>
Cash flows from operating activities:	
Receipts from customers	\$ 545,845
Payments to employees	(515,963)
Payments to suppliers	(617,411)
Net cash used for operating activities	<u>(587,529)</u>
Cash flows from noncapital financing activities:	
State sources	10,687
Federal sources	483,002
Net cash provided by non-capital financing activities	<u>493,689</u>
Cash flows from capital activities:	
Purchases of fixed assets	(107,229)
Net cash used for capital activities	<u>(107,229)</u>
Cash flows from investing activities:	
Interest and dividends	-
Net cash provided by investing activities	<u>-</u>
Net increase in cash and cash equivalents	(201,069)
Balances - July 1	<u>557,001</u>
Balances - June 30	<u>\$ 355,932</u>
Reconciliation of operating loss to net cash provided	
(used) by operating activities:	
Operating income (loss)	\$ (728,057)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	50,586
Federal commodities	84,889
(Increase) decrease in accounts receivable	1,740
(Increase) decrease in inventories	(592)
Increase (decrease) in accounts payable	(12,012)
Increase (decrease) in unearned revenue	15,917
Total adjustments	<u>140,528</u>
Net cash provided by (used for) operating activities	<u>\$ (587,529)</u>

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

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

	Unemployment Compensation Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 51,055	\$ 362,527
Interfund	71,575	39,275
	<u> </u>	<u> </u>
Total assets	<u>122,630</u>	<u>401,802</u>
LIABILITIES:		
Accounts payable	51,128	-
Interfund payable	-	20,420
Payroll deductions and withholdings	-	18,960
Due to student groups	-	362,422
	<u> </u>	<u> </u>
Total liabilities	<u>51,128</u>	<u>\$ 401,802</u>
NET POSITION:		
Held in trust for unemployment claims and other purposes	<u>\$ 71,502</u>	

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

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

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee contributions	\$ 42,969
Total Contributions	42,969
Investment earnings:	
Interest	-
Total additions	42,969
DEDUCTIONS:	
Unemployment claims	91,194
Total deductions	91,194
Change in Net Position	(48,225)
Net Position - July 1	119,727
Net Position - June 30	\$ 71,502

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Delran Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately 7.5 square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of Delran's students in grades K through 12. The Delran School District has an approximate enrollment at June 30, 2020 of 2,984 students.

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

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

Basis of Presentation

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

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

The School District’s enterprise fund is:

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

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

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

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

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

Measurement Focus

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Basis of Accounting

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2020.

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Recently Issued Accounting Pronouncements – In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

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

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

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement should have no impact on the District’s financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. This Statement should have no impact on the District’s financial statements.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

2. CASH AND CASH EQUIVALENTS

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

Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$9,900,909 as of June 30, 2020, \$250,000 was insured under FDIC and the remaining balance of \$9,650,909 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance – July 1, 2019		\$	3,148,341
Increased by:			
Transfer by Board Resolution	\$ 2,000,000		
Unspent in General Fund	-		
Interest Earned	1,121		
	1,121		2,001,121
			5,149,462
Decreased by:			
Budgeted Withdrawal	1,153,000		
Budgeted Resolution	650,050		
	650,050		1,803,050
Balance – June 30, 2020		\$	3,346,412

The June 30, 2020 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2020 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2020 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Intergovernmental					
State	\$ 723,237	\$ 10,995	\$ 302,493	\$ 339	\$ 1,037,064
Federal		326,402		32,851	359,253
Other	11,724	420,997			432,721
Total	\$ 734,961	\$ 758,394	\$ 302,493	\$ 33,190	\$ 1,829,038

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Deletions	Adjustments	Balance June 30, 2020
Governmental Activities:					
<i>Capital Assets, not being depreciated:</i>					
Construction in Progress	\$ 25,198,232	\$ -	\$ (24,420,468)	\$ -	\$ 777,764
Total Capital Assets not being Depreciated	25,198,232	-	(24,420,468)	-	777,764
<i>Capital Assets, being depreciated:</i>					
Land Improvements	1,256,806	43,993			1,300,799
Building and Improvements	32,229,838	26,409,934	(12,226)		58,627,546
Machinery & Equipment	2,648,204	98,134	(122,835)		2,623,503
Total Historical Cost	61,333,080	26,552,061	(24,555,529)	-	63,329,612
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(735,491)	(45,960)			(781,451)
Building and Improvements	(22,154,012)	(1,111,291)	12,226	(17,437,643)	(40,690,720)
Machinery & Equipment	(2,223,459)	(102,199)	122,735		(2,202,923)
Total Accumulated Depreciation	(25,112,962)	(1,259,450)	134,961	(17,437,643)	(43,675,094)
Governmental Activities Capital Assets, Net	<u>\$ 36,220,118</u>	<u>\$ 25,292,611</u>	<u>\$ (24,420,568)</u>	<u>\$ (17,437,643)</u>	<u>\$ 19,654,518</u>
Business-Type Activities:					
<i>Capital Assets, being depreciated:</i>					
Equipment	\$ 869,415	\$ 107,229	\$ -	\$ -	\$ 976,644
Less - Accumulated Depreciation	(554,857)	(50,586)			(605,443)
Business-Type Activities Capital Assets, Net	<u>\$ 314,558</u>	<u>\$ 56,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,201</u>

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

5. CAPITAL ASSETS

Depreciation expense in the amount of \$1,259,450 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 56,385
Administration	132,132
Plant Operations and Maintenance	1,060,940
Unallocated	9,993
Total	\$ 1,259,450

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2020 consisted of the following:

	Food Service
Food	\$ 18,818
Supplies	332
	\$ 19,150

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	Principal Outstanding July 1, 2019	Additions	Reductions	Principal Outstanding June 30, 2020	Amount Due Within One Year
Compensated Absences	\$ 974,695	\$ 155,027	\$ 71,348	\$ 1,058,374	\$ 16,126
Capital Lease Payable	4,155,674	-	345,794	3,809,880	354,068
General Obligation Bonds	22,135,000	-	1,700,000	20,435,000	1,765,000
Bond Premium	828,090	-	96,366	731,724	96,366
Net Pension Liability	8,211,625	-	720,779	7,490,846	
	\$ 36,305,084	\$ 155,027	\$ 2,934,287	\$ 33,525,824	\$ 2,231,560

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

2015 School Refunding Bonds dated October 6, 2015 in the amount of \$950,000 due in annual installments through January 15, 2023 bearing interest rates ranging from 2.00% - 4.00%.

2016 School Refunding Bonds dated April 14, 2016 in the amount of \$19,485,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 2.00% - 4.00%.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

7. LONG-TERM OBLIGATIONS (CONTINUED)

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,765,000	\$ 579,693	\$ 2,344,693
2022	1,830,000	514,094	2,344,094
2023	1,900,000	439,694	2,339,694
2024	1,980,000	362,094	2,342,094
2025	2,045,000	302,044	2,347,044
2026-2030	<u>10,915,000</u>	<u>740,390</u>	<u>11,655,390</u>
	<u>\$ 20,435,000</u>	<u>\$ 2,938,009</u>	<u>\$ 23,373,009</u>

As of June 30, 2020, the District had no authorized but not issued bonds.

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

Capital Leases - As of June 30, 2020, the District had the following capital leases:

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

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2020:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 354,068	\$ 91,459	\$ 445,527
2022	366,497	81,735	448,232
2023	335,315	72,682	407,996
2024	250,000	64,058	314,058
2025	263,000	58,024	321,024
2026-2030	1,525,000	188,520	1,713,520
2031-2032	<u>716,000</u>	<u>21,491</u>	<u>737,491</u>
	<u>\$ 3,809,880</u>	<u>\$ 577,969</u>	<u>\$ 4,387,849</u>

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

8. OPERATING LEASES

At June 30, 2020 the School District had three operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2020 were \$197,509. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2021	\$ 173,675
June 30, 2022	104,692
June 30, 2023	104,692
June 30, 2024	<u>104,692</u>
Total future minimum lease payments	<u>\$ 487,751</u>

9. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

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

The following represents the membership tiers for TPAF:

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

9. PENSION PLANS (Continued)

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$3,548,773 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$1,539,681.

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

At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2020, the School District recognized pension expense of \$6,388,967 and revenue of \$6,388,967 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

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

	<u>06/30/19</u>	<u>06/30/18</u>
Collective deferred outflows of resources	\$ 9,932,767,606	\$ 12,473,998,870
Collective deferred inflows of resources	17,539,845,423	16,180,773,643
Collective net pension liability (Non-Employer – State of New Jersey)	61,519,112,443	63,617,852,031
State's portion of the net pension liability that was associated with the School District	108,319,381	108,129,376
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1764994536%	.1699670340%

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:	
Through 2026	1.55- 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables 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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
US 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%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's 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 (State of New Jersey) 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 School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.60%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.60%) or 1 percentage point higher (6.60%) that the current rate:

	<u>1% Decrease (4.60%)</u>	<u>Current Discount Rate (5.60%)</u>	<u>1% Increase (6.60%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>127,732,525</u>	<u>108,319,381</u>	<u>92,212,602</u>
	<u>\$ 127,732,525</u>	<u>\$ 108,319,381</u>	<u>\$ 92,212,602</u>

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

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

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

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 or more years of service credit before age 62, 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 their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2019. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 14.58% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Based on the most recent PERS measurement date of June 30, 2019, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$406,004 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$242,449.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2020	\$ 37,421	\$ 346,289	\$ 20,676	\$ 1,618	\$ 406,004
2019	51,840	344,133	18,863	2,049	416,885
2018	50,302	313,243	18,628	5,300	387,473

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

At June 30, 2020, the School District reported a liability of \$7,490,846 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2020, the School District recognized pension expense of \$368,368. At June 30, 2020, the School District reported a liability of \$7,490,846 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,451	\$ 33,091
Changes of assumptions	747,988	2,600,049
Net Difference between projected and actual earnings on pension plan investments		118,246
Changes in proportion	193,232	290,248
District contributions subsequent to the measurement date	465,704	
Total	\$ 1,541,375	\$ 3,041,634

\$465,704 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, 2020) will be recognized as a reduction of the net liability in the year ended June 30, 2020.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2021	\$ (343,974)
2022	(730,936)
2023	(500,211)
2024	(352,765)
2025	(38,077)
Total	\$ (1,965,963)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,645,087,574	\$ 7,646,736,226
Collective net pension liability	\$ 18,143,832,135	\$ 19,689,501,539
School District's Proportion	.0415731202%	.0417056023%

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:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 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 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, 2014 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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
US 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%
Total	100.00%	

Discount rate. The discount rate used to measure the State's 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 made based on 70% of the actuarially determined contributions for the State employer and 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.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.28%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	<u>1% Decrease (5.28%)</u>	<u>Current Discount Rate (6.28%)</u>	<u>1% Increase (7.28%)</u>
School District's proportionate share of the net pension liability	\$ 9,462,156	\$ 7,490,846	\$ 5,829,738

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

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

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

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

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2020	\$ 14,089	\$ 14,089
2019	7,949	7,949
2018	4,061	4,061

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated io. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32F, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teacher’s Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

Plan Membership

As of June 30, 2018, the program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	364,943

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB Plan for qualified retired PERS, TPAF and PFRS participants. The School Districts’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the 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 enrolled in.

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 3.05% based on years of service	2.00 – 6.00% based on age	3.25 – 15.25% based on age
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on age	3.10 - 9.98% based on age

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

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, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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 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.

Changes in the Total Nonemployer OPEB Liability

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

	Total OPEB Liability
Balance as of June 30, 2018	\$ 83,194,173
Changes for the years'	
Service Cost	3,079,745
Interest	3,294,961
Changes of benefit terms	
Differences between expected and actual experience	(11,638,021)
Changes in assumptions	1,144,923
Gross Benefit Payments	(2,357,177)
Contributions from the Non-employer	N/A
Contributions from the Member	69,873
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (6,405,696)
Balance at 06/30/2019	\$ 76,788,477

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 90,717,536	\$ 76,788,477	\$ 65,723,996

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2019, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 93,194,940	\$ 76,788,477	\$ 62,275,392

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

For the year ended June 30, 2020, the School District recognized \$1,851,392 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

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

At June 30, 2020, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 19,294,087
Changes of assumptions	-	15,607,430
Total	\$ -	\$ 34,901,517

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended:		
2020	\$	(4,686,035)
2021		(4,686,035)
2022		(4,686,035)
2023		(4,686,035)
2024		(4,686,035)
Therafter		(11,471,342)
Total	\$	(34,901,517)

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

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$4,024,685, \$1,493,084, and \$3,369, respectively. In addition, \$1,470,998 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Business Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior four years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 42,969	\$ -	\$ -	\$ 91,194	\$ 71,502
2018-2019	41,850	-	-	24,513	119,727
2017-2018	40,101	-	-	66,979	102,390
2016-2017	39,065	-	-	51,664	129,268
2015-2016	37,533	-	-	63,888	141,867

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2020, the liability for compensated absences in the governmental activities was \$1,058,374.

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2021. The following interfund balances were recorded on the various balance sheets as of June 30, 2020:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 595,280	\$ 138,465
Special Revenue	-	345,483
Capital Projects	45,865	251,707
Debt Service Fund	6,571	2,491
Fiduciary Fund	110,850	20,420
Total	\$ 758,566	\$ 758,566

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

16. CONTINGENCIES

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

16. CONTINGENCIES (Continued)

At June 30, 2020, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. TAX ABATEMENTS

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2019, the Township of Delran had no tax abatements.

18. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$172,464 in the General Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$172,464 is equal to or less than the June state aid payment.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

19. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2020, a deficit of \$10,966,677 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2020:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance - Unassigned	\$ (172,464)
Liabilities:	
Accrued Interest Payable	(279,030)
Net Pension Differences	(9,456,809)
Compensated Absences	<u>(1,058,374)</u>
Unrestricted Net Position (Deficit)	<u><u>\$ (10,966,677)</u></u>

20. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$703,149 presented on the budgetary basis of accounting (Exhibit C-1). In addition, \$743,547 of excess fund balance generated during the 2018-2019 fiscal year has been restricted and designated for utilization in the 2020-2021 budget.

Capital Reserve – As of June 30, 2020, the balance in the capital reserve account is \$3,346,412. all of which is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan. Of this amount \$181,400 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2021.

Maintenance Reserve Account – As of June 30, 2020, the balance in the maintenance reserve account is \$1,860,190. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

20. FUND BALANCES (Continued)

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2020 the School District has \$1,850,017 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021, \$40,420 of general fund balance.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020, \$4,080 of debt service fund balance.

UNASSIGNED

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

General Fund – As of June 30, 2020, the fund balance of the general fund was a deficit of \$172,464. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 18).

Capital Projects Fund – As of June 30, 2020, \$506,102 of capital projects fund balance was unassigned.

21. LITIGATION

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

22. SUBSEQUENT EVENTS

COVID-19 - the management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the School District. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 32,689,841	\$ -	\$ 32,689,841	\$ 32,689,841	\$ -
Tuition - Individuals	15,000	-	15,000	66,638	51,638
Tuition - Other LEA's				44,058	44,058
Transportation				18,515	18,515
Capital reserve interest	450	-	450	1,121	671
Maintenance reserve interest	50	-	50	306	256
Unrestricted miscellaneous revenue	49,419	-	49,419	299,835	250,416
Total local sources	32,754,760	-	32,754,760	33,120,314	365,554
State sources:					
Categorical special education aid	2,561,908	-	2,561,908	2,561,908	-
Equalization aid	12,070,183	-	12,070,183	12,070,183	-
Security aid	418,930	-	418,930	418,930	-
Transportation aid	516,610	-	516,610	516,610	-
Extraordinary aid	275,000	-	275,000	650,677	375,677
Additional non-public transportation aid					
On-behalf TPAF pension contributions (non-budgeted)				4,024,685	4,024,685
On-behalf TPAF medical (non-budgeted)				1,493,084	1,493,084
On-behalf TPAF LTDI (non-budgeted)				3,369	3,369
Reimbursed TPAF social security contributions (non-budgeted)				1,470,998	1,470,998
Total state sources	15,842,631	-	15,842,631	23,210,444	7,367,813
Federal sources:					
Medicaid reimbursement	45,511	-	45,511	44,870	(641)
Total federal sources	45,511	-	45,511	44,870	(641)
TOTAL REVENUES	48,642,902	-	48,642,902	56,375,628	7,732,726
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	674,491	106,404	780,895	779,364	1,531
Grades 1-5	4,385,673	(203,063)	4,182,610	4,123,130	59,480
Grades 6-8	2,974,202	26,528	3,000,730	2,988,278	12,452
Grades 9-12	5,137,536	46,793	5,184,329	5,162,511	21,818
Total Instruction	13,171,902	(23,338)	13,148,564	13,053,283	95,281
Regular Programs - Home Instruction:					
Salaries of teachers	60,000	(5,000)	55,000	45,749	9,251
Purchased professional - educ services	16,000	5,000	21,000	20,314	686
Total Home Instruction	76,000	-	76,000	66,063	9,937

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	\$ 178,742	\$ (5,655)	\$ 173,087	\$ 166,757	\$ 6,330
Purchased technical services	44,010	-	44,010	27,362	16,648
Other purchased services	279,088	(85,574)	193,514	177,510	16,004
General supplies	632,391	306,409	938,800	647,198	291,602
Textbooks	148,296	(68,041)	80,255	50,655	29,600
Other objects	22,500	-	22,500	18,957	3,543
Total Undistributed Instruction	<u>1,305,027</u>	<u>147,139</u>	<u>1,452,166</u>	<u>1,088,439</u>	<u>363,727</u>
Total - Regular Programs - Instruction	<u>14,552,929</u>	<u>123,801</u>	<u>14,676,730</u>	<u>14,207,785</u>	<u>468,945</u>
Special Educ Instruction - Learning/Lang. Disabilities					
Salaries of teachers	383,540	53,914	437,454	424,339	13,115
Other salaries for instruction	64,419	(2,662)	61,757	61,094	663
General supplies	56	-	56	-	56
Total Learning/Language Disabilities	<u>448,015</u>	<u>51,252</u>	<u>499,267</u>	<u>485,433</u>	<u>13,834</u>
Special Educ Instruction - Multiple Disabilities					
Salaries of teachers	239,905	28,812	268,717	267,822	895
Other salaries for instruction	337,034	32,480	369,514	369,214	300
General supplies	27,000	(27,000)	-	-	-
Total Multiple Disabilities	<u>603,939</u>	<u>34,292</u>	<u>638,231</u>	<u>637,036</u>	<u>1,195</u>
Special Educ Instruction - Res. Room/Res. Center					
Salaries of teachers	3,106,811	(69,466)	3,037,345	3,012,127	25,218
General supplies	-	27,000	27,000	12,051	14,949
Total Resource Room/Resource Center	<u>3,106,811</u>	<u>(42,466)</u>	<u>3,064,345</u>	<u>3,024,178</u>	<u>40,167</u>
Special Educ Instruction - Autism					
Salaries of teachers	142,546	7,690	150,236	150,236	-
Total Autism	<u>142,546</u>	<u>7,690</u>	<u>150,236</u>	<u>150,236</u>	<u>-</u>
Preschool Disabilities - Part-time					
Salaries of teachers	127,917	693	128,610	128,610	-
Other salaries for instruction	84,560	-	84,560	80,590	3,970
General supplies	2,500	-	2,500	1,813	687
Total Preschool Disabilities - Part-time	<u>214,977</u>	<u>693</u>	<u>215,670</u>	<u>211,013</u>	<u>4,657</u>
Total Special Education - Instruction	<u>4,516,288</u>	<u>51,461</u>	<u>4,567,749</u>	<u>4,507,896</u>	<u>59,853</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries	483,437	21,768	505,205	457,762	47,443
Total Bilingual Education - Instruction	<u>483,437</u>	<u>21,768</u>	<u>505,205</u>	<u>457,762</u>	<u>47,443</u>

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Inst.					
Salaries	\$ 309,539	\$ 3,282	\$ 312,821	\$ 256,161	\$ 56,660
Other purchased services	2,500	-	2,500	-	2,500
Supplies and materials	27,610	10,238	37,848	27,711	10,137
Other objects	2,240	(480)	1,760	1,235	525
Total School-Sponsored Cocurr. Act. - Inst	<u>341,889</u>	<u>13,040</u>	<u>354,929</u>	<u>285,107</u>	<u>69,822</u>
School-Sponsored Athletics - Inst.					
Salaries	415,468	-	415,468	367,728	47,740
Other purchased services	86,147	-	86,147	84,890	1,257
Supplies and materials	66,010	12,590	78,600	76,490	2,110
Other objects	1,850	500	2,350	1,771	579
Total School-Sponsored Athletics - Inst	<u>569,475</u>	<u>13,090</u>	<u>582,565</u>	<u>530,879</u>	<u>51,686</u>
Other Supplemental/At Risk Programs - Inst.					
Salaries of Reading Specialists	247,560	3,315	250,875	240,312	10,563
Total Supplemental/At Risk Programs - Inst	<u>247,560</u>	<u>3,315</u>	<u>250,875</u>	<u>240,312</u>	<u>10,563</u>
Undistributed Expenditures - Instruction					
Tuition to other lea's w/i state - regular	225,000	(2,380)	222,620	82,398	140,222
Tuition to other lea's w/i state - special	476,170	126,775	602,945	602,790	155
Tuition to county voc. school dist. - reg.	133,000	-	133,000	124,128	8,872
Tuition to county voc. school dist. - spl.	-	-	-	-	-
Tuition to CSSD & reg. day schools	264,341	-	264,341	174,084	90,257
Tuition to priv. sch. for the disabled w/i state	1,789,455	(64,395)	1,725,060	1,479,556	245,504
Tuition - state facilities	-	-	-	-	-
Tuition - other	136,950	(60,000)	76,950	15,968	60,982
Total Undistributed Expenditures - Instruction	<u>3,024,916</u>	<u>-</u>	<u>3,024,916</u>	<u>2,478,924</u>	<u>545,992</u>
Undistributed Expenditures - Attend. and Social Work					
Salaries	52,413	-	52,413	51,547	866
Total Undistributed Expenditures - Attendance	<u>52,413</u>	<u>-</u>	<u>52,413</u>	<u>51,547</u>	<u>866</u>
Undistributed Expenditures - Health Services					
Salaries	310,225	17,271	327,496	319,538	7,958
Purchased professional and technical services	24,000	-	24,000	9,422	14,578
Supplies and materials	9,450	-	9,450	6,454	2,996
Total Undistributed Expenditures - Health Svcs.	<u>343,675</u>	<u>17,271</u>	<u>360,946</u>	<u>335,414</u>	<u>25,532</u>
Undist. Expend. - Speech, OT, PT, & Rel. Serv.					
Salaries	451,096	(22,250)	428,846	406,121	22,725
Purchased professional and technical services	-	22,100	22,100	22,100	-
Supplies and materials	3,052	-	3,052	2,933	119
Total Undst. Expend. - Speech, OT, PT, & Rel. Serv.	<u>454,148</u>	<u>(150)</u>	<u>453,998</u>	<u>431,154</u>	<u>22,844</u>
Undist. Expend. - Sp. Ed. - Extraordinary Services.					
Salaries	520,067	17,245	537,312	490,236	47,076
Total Undst. Expend. - Special Ed.- Extra. Serv.	<u>520,067</u>	<u>17,245</u>	<u>537,312</u>	<u>490,236</u>	<u>47,076</u>

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

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DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance					
Salaries of other professional staff	\$ 640,032	\$ 3,118	\$ 643,150	\$ 638,420	\$ 4,730
Salaries of secretarial and clerical assistants	196,318	(1,938)	194,380	162,686	31,694
Other purchased services (400-500)	100	-	100	-	100
Supplies and materials	4,800	-	4,800	4,800	-
Total Undst. Expend. - Guidance	841,250	1,180	842,430	805,906	36,524
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	923,609	(15,808)	907,801	846,929	60,872
Salaries of secretarial and clerical assistants	148,801	31,392	180,193	180,192	1
Purchased professional and educ. services	1,808,686	(14,973)	1,793,713	1,181,923	611,790
Purchased professional and technical services	-	15,000	15,000	1,138	13,862
Other purchased services (400-500)	39,500	-	39,500	10,143	29,357
Supplies and materials	72,000	(1,000)	71,000	61,600	9,400
Other objects	4,000	4,000	8,000	6,187	1,813
Total Undst. Expend. - Child Study Teams	2,996,596	18,611	3,015,207	2,288,112	727,095
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	123,240	2,120	125,360	125,360	-
Salaries of other professional staff	74,145	(6,993)	67,152	57,047	10,105
Salaries of secretarial and clerical assistants	52,413	-	52,413	45,071	7,342
Salaries of Facilitators, Math & Literacy Coaches	82,929	820	83,749	83,749	-
Supplies and materials	1,000	-	1,000	733	267
Other objects	10,331	-	10,331	8,749	1,582
Total Undst. Expend. - Improvement of Instr. Services	344,058	(4,053)	340,005	320,709	19,296
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	470,593	3,129	473,722	420,449	53,273
Salaries of Technology Coordinators	301,745	4,507	306,252	303,037	3,215
Purchased professional and technical services	119,420	(29,900)	89,520	39,206	50,314
Supplies and materials	30,900	2,680	33,580	33,353	227
Total Undst. Expend. - Educ. Media Serv./Sch. Library	922,658	(19,584)	903,074	796,045	107,029
Instructional Staff Training Services					
Salaries of secretarial and clerical assistance	22,264	(1,000)	21,264	-	21,264
Purchased professional and educ. services	37,764	10,000	47,764	27,975	19,789
Other purchased services (400-500)	80,000	(14,800)	65,200	32,673	32,527
Total instructional Staff Training Services	140,028	(5,800)	134,228	60,648	73,580
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	321,606	12,220	333,826	333,825	1
Legal services	68,000	10,000	78,000	61,669	16,331
Audit Fees	40,000	(10,000)	30,000	20,900	9,100
Architectural/Engineering Services	53,000	15,000	68,000	67,024	976
Other purchased professional services	16,000	(4,365)	11,635	5,400	6,235
Purchased technical services	10,000	-	10,000	6,182	3,818
Communications/Telephone	115,000	(5,000)	110,000	97,644	12,356
BOE Other purchased services (400-500)	5,500	-	5,500	3,355	2,145
Other purchased services (400-500)	18,100	(5,635)	12,465	11,221	1,244
General supplies	15,300	-	15,300	13,377	1,923
BOE In-House Training/Meeting Supplies	3,250	4,003	7,253	6,852	401
Miscellaneous expenditures	13,250	(4,503)	8,747	7,429	1,318
BOE membership dues and fees	22,500	-	22,500	19,673	2,827
Total Undst. Expend. - Supp. Serv. General Admin.	701,506	11,720	713,226	654,551	58,675

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

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DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	\$ 1,038,581	\$ 3,822	\$ 1,042,403	\$ 1,031,223	\$ 11,180
Salaries of secretarial and clerical assistants	349,341	23,781	373,122	368,540	4,582
Purchased professional and technical services	84,084	293	84,377	71,394	12,983
Other purchased services	6,000	(3,000)	3,000	2,097	903
Supplies and Materials	66,588	(12,035)	54,553	39,983	14,570
Other objects	13,145	-	13,145	11,999	1,146
Total Undst. Expend. - Supp. Serv. School Admin.	1,557,739	12,861	1,570,600	1,525,236	45,364
Undist. Expend. - Central Services					
Salaries	414,903	(15,371)	399,532	399,004	528
Purchased professional services	32,000	-	32,000	2,305	29,695
Purchased technical services	34,100	70,460	104,560	54,593	49,967
Misc. purchased services	4,000	(3,000)	1,000	675	325
Supplies and materials	10,600	(1,000)	9,600	5,261	4,339
Other objects	7,950	(3,460)	4,490	2,920	1,570
Total Undst. Expend. - Central Services	503,553	47,629	551,182	464,758	86,424
Undist. Expend. - Admin. Info. Tech.					
Salaries	54,669	54	54,723	54,723	-
Purchased technical services	52,500	-	52,500	28,533	23,967
Other purchased services	46,351	-	46,351	42,865	3,486
Total Undst. Expend. - Admin. Info. Tech.	153,520	54	153,574	126,121	27,453
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	640,352	(22,157)	618,195	581,143	37,052
Cleaning, repair, and maintenance services	576,940	(172,500)	404,440	359,870	44,570
General supplies	31,414	3,596	35,010	17,810	17,200
Total Undst. Expend. - Required Maint. Sch. Facilities	1,248,706	(191,061)	1,057,645	958,823	98,822
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	52,966	-	52,966	52,070	896
Salaries of non-instructional aids	78,019	-	78,019	59,572	18,447
Purchased professional - tech services	30,400	-	30,400	24,401	5,999
Cleaning, repair, and maintenance services	1,523,095	-	1,523,095	1,443,416	79,679
Other purchased property services	62,000	-	62,000	58,337	3,663
Insurance	221,565	-	221,565	208,904	12,661
Miscellaneous purchased services	800	-	800	725	75
General supplies	489,268	540	489,808	303,345	186,463
Energy (natural gas)	233,000	(38,000)	195,000	119,865	75,135
Energy (electricity)	505,000	-	505,000	472,026	32,974
Other objects	1,600	-	1,600	-	1,600
Total Undst. Expend. - Other Oper. & Maint. of Plant	3,197,713	(37,460)	3,160,253	2,742,661	417,592
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	53,866	-	53,866	52,970	896
Purchased professional and technical services	191,000	20,000	211,000	210,387	613
General supplies	11,000	(11,000)	-	-	-
Total Undst. Expend. - Care and Upkeep of Grounds	255,866	9,000	264,866	263,357	1,509
Security					
Salaries	38,762	-	38,762	36,951	1,811
Purchased professional and technical services	233,000	49,000	282,000	168,036	113,964
General Supplies	20,000	-	20,000	9,732	10,268
Total Security	291,762	49,000	340,762	214,719	126,043
Total Undst. Expend. - Oper. & Maint. of Plant Services	4,994,047	(170,521)	4,823,526	4,179,560	643,966

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$ 57,503	\$ (24,953)	\$ 32,550	\$ 32,550	\$ -
Salaries for pupil trans (bet home & sch) - sp. ed.	-	16,633	16,633	16,633	-
Salaries for pupil trans (other than bet home & sch)	-	2,124	2,124	2,123	1
Salaries for pupil trans (bet home & sch) - nonpublic sch	-	6,252	6,252	6,252	-
Contr. serv. - Aid in Lieu Pymts-nonpub Sch	90,000	-	90,000	42,408	47,592
Contr. serv. (bet. home & sch.) - vendors	1,200,000	(200,000)	1,000,000	764,612	235,388
Contr. serv. (other than bet. home & sch.) - vendors	185,000	-	185,000	101,472	83,528
Contr. serv. (sp ed stds) - vendors	876,100	20,000	896,100	658,873	237,227
Contr. serv. (sp ed stds) - joint agreements	135,000	90,000	225,000	159,744	65,256
Misc. purchased services - transportation	13,100	3,717	16,817	10,281	6,536
Total Undst. Expend. - Student Trans. Services	2,556,703	(86,227)	2,470,476	1,794,948	675,528
Unallocated Benefits - Employee Benefits					
Social security contributions	451,006	58,000	509,006	410,245	98,761
Other retirement contributions - PERS	469,500	(58,000)	411,500	406,004	5,496
Workmen's Compensation	257,500	-	257,500	252,701	4,799
Health benefits	6,880,160	(392,572)	6,487,588	6,330,475	157,113
Tuition reimbursements	46,499	-	46,499	31,410	15,089
Other Employee Benefits	127,425	273,279	400,704	391,651	9,053
Total Unallocated Benefits - Employee Benefits	8,232,090	(119,293)	8,112,797	7,822,486	290,311
On-behalf TPAF pension contributions (non-budgeted)				4,024,685	(4,024,685)
On-behalf TPAF medical (non-budgeted)				1,493,084	(1,493,084)
On-behalf TPAF LTDI (non-budgeted)				3,369	(3,369)
Reimbursed TPAF social security contributions (non-budgeted)				1,470,998	(1,470,998)
Total Undistributed Expenditures - TPAF				6,992,136	(6,992,136)
Total Undistributed Expenditures	28,338,967	(279,057)	28,059,910	31,618,491	(3,558,581)
Total General Current Expense	49,050,545	(52,582)	48,997,963	51,848,232	(2,850,269)
CAPITAL OUTLAY:					
Equipment:					
Instruction	-	52,100	52,100	51,978	122
Undistributed expenditures - req. maint. school facilities	-	-	-	-	-
Total Equipment	-	52,100	52,100	51,978	122
Facilities Acquisition and Construction Services:					
Architect/Engineering Services	96,250	52,004	148,254	86,000	62,254
Construction	1,093,495	598,046	1,691,541	793,357	898,184
Lease Purchase Agreements - Principal	338,346	-	338,346	338,346	-
Assessment for Debt Service on SDA funding	20,110	-	20,110	20,110	-
Total Facilities Acquisition and Construction Services	1,548,201	650,050	2,198,251	1,237,813	960,438
Assets acquired under capital leases (non-budgeted):					
Equipment					
Undistributed expenditures - instruction				-	-
Total assets acquired under capital leases	-	-	-	-	-
Total Capital Outlay	1,548,201	702,150	2,250,351	1,289,791	960,560
Transfer of Funds to Charter Schools	20,421	-	20,421	20,421	-
Total Expenditures	50,619,167	649,568	51,268,735	53,158,444	(1,889,709)

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ (1,976,265)</u>	<u>\$ (649,568)</u>	<u>\$ (2,625,833)</u>	<u>\$ 3,217,184</u>	<u>\$ 5,843,017</u>
Other Financing Sources (Uses):					
Proceeds from Capital Lease	_____	_____	_____	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,976,265)</u>	<u>(649,568)</u>	<u>(2,625,833)</u>	<u>3,217,184</u>	<u>5,843,017</u>
Fund Balance, July 1	<u>6,625,554</u>	_____	<u>6,625,554</u>	<u>6,625,554</u>	_____
Fund Balance, June 30	<u>\$ 4,649,289</u>	<u>\$ (649,568)</u>	<u>\$ 3,999,721</u>	<u>\$ 9,842,738</u>	<u>\$ 5,843,017</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 743,547	
Reserve for Excess Surplus				703,149	
Maintenance Reserve				1,860,190	
Capital Reserve				3,346,412	
Assigned Fund Balance					
Year-end Encumbrances				1,850,017	
Designated for Subsequent Years Expenditures				40,420	
Unassigned Fund Balance				<u>1,299,003</u>	
				9,842,738	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(1,471,467)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 8,371,271</u>	

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

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 9,700	\$ 718,037	\$ 727,737	\$ 569,838	\$ (157,899)
State sources	201,119	(9,337)	191,782	107,973	(83,809)
Federal sources	1,127,116	360,270	1,487,386	1,289,010	(198,376)
Total revenues	<u>1,337,935</u>	<u>1,068,970</u>	<u>2,406,905</u>	<u>1,966,821</u>	<u>(440,084)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	308,483	72,918	381,401	313,204	68,197
Purchased professional - educ. services	89,606	(689)	88,917	15,008	73,909
Tuition	522,360	101,249	623,609	623,609	-
Purchased professional - tech. services	26,757	(2,960)	23,797	14,029	9,768
General supplies	274,337	(6,931)	267,406	244,861	22,545
Textbooks	17,262	(1,712)	15,550	10,777	4,773
Total instruction	<u>1,238,805</u>	<u>161,875</u>	<u>1,400,680</u>	<u>1,221,488</u>	<u>179,192</u>
Support services:					
Salaries of other professional staff		22,252	22,252	14,941	7,311
Personal services - employee benefits		45,866	45,866	45,866	-
Purchased professional - educ. services	58,062	100,815	158,877	120,407	38,470
Other purchased services		3,334	3,334		3,334
Purchased professional and technical services	31,501	(2,498)	29,003	17,025	11,978
Travel		41,890	41,890	15,807	26,083
Other Objects	9,567	-	9,567	2,945	6,622
Supplies and materials		97,011	97,011	52,245	44,766
Total support services	<u>99,130</u>	<u>308,670</u>	<u>407,800</u>	<u>269,236</u>	<u>138,564</u>
Facilities acquisition and construction services:					
Engineering		78,278	78,278	48,923	29,355
Construction		520,147	520,147	427,174	92,973
Total facilities acq. and const. services	<u>-</u>	<u>598,425</u>	<u>598,425</u>	<u>476,097</u>	<u>122,328</u>
Total expenditures	<u>1,337,935</u>	<u>1,068,970</u>	<u>2,406,905</u>	<u>1,966,821</u>	<u>440,084</u>
Total outflows	<u>1,337,935</u>	<u>1,068,970</u>	<u>2,406,905</u>	<u>1,966,821</u>	<u>440,084</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 56,375,628	\$ 1,966,821
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,322,744	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,471,467)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 56,226,905</u>	<u>\$ 1,966,821</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 53,158,444	\$ 1,966,821
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 53,158,444</u>	<u>\$ 1,966,821</u>

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportionate share of the net pension liability (asset)	0.0415731202%	0.0417056023%	0.0412538649%	0.0439013136%	0.0420543940%	0.0422519522%	0.0404034841%
District's proportionate share of the net pension liability (asset)	\$ 7,490,846	\$ 8,211,625	\$ 9,603,240	\$ 13,002,310	\$ 9,440,369	\$ 7,910,721	\$ 7,721,909
District's covered-employee payroll	3,193,928	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	234.53%	269.41%	326.01%	445.53%	324.59%	274.03%	272.06%
Plan fiduciary net position as a percentage of the total pension liability	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 465,704	\$ 406,004	\$ 416,885	\$ 387,473	\$ 390,013	\$ 361,555	\$ 348,319
Contributions in relation to the contractually required contributions	<u>(465,704)</u>	<u>(406,004)</u>	<u>(416,885)</u>	<u>(387,473)</u>	<u>(390,013)</u>	<u>(361,555)</u>	<u>(348,319)</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered-employee payroll	3,193,928	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
Contributions as a percentage of covered-employee payroll	14.58%	13.32%	14.15%	13.28%	13.41%	12.52%	12.27%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1764994536%	0.1699670340%	0.1719759835%	0.1740272235%	0.1674755276%	0.1638892624%	0.1672709993%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 108,319,381</u>	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
Total	<u>\$ 108,319,381</u>	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
District's covered-employee payroll	20,380,225	19,770,078	19,161,160	18,350,014	17,728,774	17,726,454	17,428,428
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.18%	0.18%	0.18%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 76,788,477	\$ 83,194,173	\$ 97,557,199
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%
	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability			
Service Cost	\$ 3,079,745	\$ 3,444,684	\$ 4,155,935
Interest	3,294,961	3,577,762	3,100,676
Differences between expected and actual experiences	(11,638,021)	(9,690,826)	
Changes of assumptions	1,144,923	(9,546,948)	(13,243,258)
Member Contributions	69,873	76,885	83,205
Benefit payments	<u>(2,357,177)</u>	<u>(2,224,583)</u>	<u>(2,259,632)</u>
Net Change in total OPEB Liability	\$ (6,405,696)	\$ (14,363,026)	\$ (8,163,074)
Total OPEB Liability - beginning	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>	<u>\$ 105,720,273</u>
Total OPEB Liability - ending	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
District's covered-employee payroll	23,574,153	22,818,051	22,106,887
Total OPEB Liability as a percentage of covered-employee payroll	325.73%	364.60%	441.30%

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

Delran Township School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2020

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 5.60% as of June 30, 2019 from 4.86% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 6.28% as of June 30, 2019 from 5.66% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

Other Post-Retirement Plan – Public Employees’ Retirement System and Teachers’ Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 3.50% as of June 30, 2019 from 3.87% as of June 30, 2018.

Other Supplementary Information

Special Revenue Fund

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2020

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ -	\$ -	\$ 569,838	\$ 569,838
State sources	100,479	-	7,494	107,973
Federal sources	-	1,072,246	216,764	1,289,010
Total Revenues	<u>100,479</u>	<u>1,072,246</u>	<u>794,096</u>	<u>1,966,821</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	-	276,771	36,433	313,204
Professional education services	3,821	3,693	7,494	15,008
Tuition	-	623,609	-	623,609
Professional technical services	14,029	-	-	14,029
General supplies	10,478	8,665	225,718	244,861
Textbooks	<u>10,777</u>	<u>-</u>	<u>-</u>	<u>10,777</u>
Total instruction	<u>39,105</u>	<u>912,738</u>	<u>269,645</u>	<u>1,221,488</u>
Support services:				
Salaries of other professional staff	-	14,941	-	14,941
Personal services-employee benefits	-	45,866	-	45,866
Purchased prof. and educational services	44,349	76,058	-	120,407
Purchase professional and technical services	17,025	-	-	17,025
Travel	-	15,807	-	15,807
Other Objects	-	-	2,945	2,945
Supplies and materials	<u>-</u>	<u>6,836</u>	<u>45,409</u>	<u>52,245</u>
Total support services	<u>61,374</u>	<u>159,508</u>	<u>48,354</u>	<u>269,236</u>
Facilities acquisition and const. serv.:				
Building	-	-	48,923	48,923
Non- Instructional equipment	<u>-</u>	<u>-</u>	<u>427,174</u>	<u>427,174</u>
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>476,097</u>	<u>476,097</u>
Total Expenditures	<u>100,479</u>	<u>1,072,246</u>	<u>794,096</u>	<u>1,966,821</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2020

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Chapter 192 Auxillary Services Comp. Education	Chapter 193 Handicapped Services Exam & Classification	Carried Forward (Exh. E-1A)
REVENUES:							
State sources	\$ 10,777	\$ 17,025	\$ 10,478	\$ 44,349	\$ 3,821	\$ 14,029	\$ 100,479
Total Revenues	<u>10,777</u>	<u>17,025</u>	<u>10,478</u>	<u>44,349</u>	<u>3,821</u>	<u>14,029</u>	<u>100,479</u>
EXPENDITURES:							
Instruction:							
Professional education services					3,821		3,821
Professional technical services						14,029	14,029
General supplies			10,478				10,478
Textbooks	10,777						10,777
Total instruction	<u>10,777</u>	<u>-</u>	<u>10,478</u>	<u>-</u>	<u>3,821</u>	<u>14,029</u>	<u>39,105</u>
Support services:							
Purchased prof. and educational services				44,349			44,349
Purchase professional and technical services		17,025					17,025
Total support services	<u>-</u>	<u>17,025</u>	<u>-</u>	<u>44,349</u>	<u>-</u>	<u>-</u>	<u>61,374</u>
Facilities acquisition and const. serv.:							
Building							
Non-Instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	<u>10,777</u>	<u>17,025</u>	<u>10,478</u>	<u>44,349</u>	<u>3,821</u>	<u>14,029</u>	<u>100,479</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2020**

	Every Student Succeeds Act (ESSA)					IDEA Part B		Carried Forward (Exh. E-1A)
	Title I	Title II-A	Title III	Title III Immigrant	Title IV	Basic	Preschool	
REVENUES:								
Federal sources	\$ 310,786	\$ 39,251	\$ 28,440	\$ 5,414	\$ 12,945	\$ 651,796	\$ 23,614	\$ 1,072,246
Total Revenues	<u>310,786</u>	<u>39,251</u>	<u>28,440</u>	<u>5,414</u>	<u>12,945</u>	<u>651,796</u>	<u>23,614</u>	<u>1,072,246</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	265,097	871	7,362	3,441				276,771
Professional education services	3,173		520					3,693
Tuition						623,609		623,609
General supplies			7,601		1,064			8,665
Total instruction	<u>268,270</u>	<u>871</u>	<u>15,483</u>	<u>3,441</u>	<u>1,064</u>	<u>623,609</u>	<u>-</u>	<u>912,738</u>
Support services:								
Salaries of other professional staff			8,930	1,002	5,009			14,941
Personal services-employee benefits	42,516	161	1,852	935	402			45,866
Purchased prof. and educational services		23,157			1,100	28,187	23,614	76,058
Travel		15,062	745					15,807
Supplies and materials			1,430	36	5,370			6,836
Total support services	<u>42,516</u>	<u>38,380</u>	<u>12,957</u>	<u>1,973</u>	<u>11,881</u>	<u>28,187</u>	<u>23,614</u>	<u>159,508</u>
Facilities acquisition and const. serv.:								
Building								
Non-Instructional equipment								
Total facilities acquisition and const. serv.:								
Total Expenditures	<u>310,786</u>	<u>39,251</u>	<u>28,440</u>	<u>5,414</u>	<u>12,945</u>	<u>651,796</u>	<u>23,614</u>	<u>1,072,246</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2020

	Security Grant County	STEM Grant	Delran Education Foundation	Chapter 193 Handicapped Services Supplementary Instruction	Nonpublic Home Inst.	CARES Act	Carried Forward (Exh. E-1A)
REVENUES:							
Local sources	\$ 521,506	\$ 38,632	\$ 9,700	\$ -	\$ -	\$ -	\$ 569,838
State sources				5,656	1,838		7,494
Federal sources						216,764	216,764
Total Revenues	521,506	38,632	9,700	5,656	1,838	216,764	794,096
EXPENDITURES:							
Instruction:							
Salaries of teachers		36,433					36,433
Professional education services				5,656	1,838		7,494
General supplies		2,199	9,700			213,819	225,718
Total instruction	-	38,632	9,700	5,656	1,838	213,819	269,645
Support services:							
Other Objects						2,945	2,945
Supplies and materials	45,409						45,409
Total support services	45,409	-	-	-	-	2,945	48,354
Facilities acquisition and const. serv.:							
Engineering	48,923						48,923
Construction	427,174						427,174
Total facilities acquisition and const. serv.:	476,097	-	-	-	-	-	476,097
Total Expenditures	521,506	38,632	9,700	5,656	1,838	216,764	794,096
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects Fund
Detail Statements

**DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2020**

Revenues and Other Financing Sources:

SDA Grant	\$ -
Transfer from Capital Reserve	
Interest Earned on Investments	
Total revenues and other financing sources	

Expenditures and Other Financing (Uses):

Purchased professional services	
Construction services	
Transfer to Debt Service Fund	
Total expenditures and other financing (uses)	
Excess (deficiency) or revenues over (under) expenditures	-
Fund Balance - July 1, 2019	506,102
Fund Balance - June 30, 2020	\$ 506,102

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements to District Facilities
From Inception and for the Fiscal Year ended June 30, 2020

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof Replacement and Crawlspace Ventilation
From Inception and for the Fiscal Year ended June 30, 2020

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2020

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction and various improvements to the District's facilities	12/9/08	\$ 25,858,000	\$ 25,784,595	\$ -	\$ 73,405
Middle School Roof Replacement and Crawl Space Ventilation	7/1/2015	<u>1,987,322</u>	<u>1,554,625</u>		<u>432,697</u>
Total		<u>\$ 27,845,322</u>	<u>\$ 27,339,220</u>	<u>\$ -</u>	<u>\$ 506,102</u>

Proprietary Funds

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Net Position

as of June 30, 2020

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 355,932
Accounts receivable:	
State	339
Federal	32,851
Other	-
Inventories	19,151
Total current assets	<u>408,273</u>
Fixed assets:	
Equipment	976,644
Less: Accumulated depreciation	<u>(605,443)</u>
Total fixed assets	<u>371,201</u>
Total assets	<u>779,474</u>
LIABILITIES:	
Current liabilities:	
Accounts Payable	1,160
Unearned revenue	<u>38,212</u>
Total current liabilities	<u>39,372</u>
NET POSITION:	
Net investment in capital assets	371,201
Unreserved retained earnings	<u>368,901</u>
Total Net Position	<u>\$ 740,102</u>

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Revenues, Expenses and Change in Fund Net Position
for the Fiscal Year ended June 30, 2020

	Food Service Fund
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 289,657
Total-daily sales-reimbursable programs	289,657
Daily sales non-reimbursable programs	238,531
Total operating revenue	528,188
OPERATING EXPENSES:	
Salaries	434,814
Employee benefits	81,149
Supplies and materials	39,012
Depreciation	50,586
Management fee	88,352
Purchased professional services	8,454
Repairs and maintenance of equipment	71,303
Cost of sales - reimbursable programs	333,572
Cost of sales - nonreimbursable programs	100,741
Direct services	29,597
Other	18,665
Total operating expenses	1,256,245
Operating income (loss)	(728,057)
Non-operating revenues:	
State sources:	
State school lunch program	10,330
Federal sources:	
National school lunch program	356,811
National school breakfast program	133,023
U.S.D.A. commodities	84,889
Total non-operating revenues	585,053
Net income (loss)	(143,004)
Net Position - July 1	883,106
Net Position - June 30	\$ 740,102

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Years ended June 30, 2020

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 545,845
Cash payments to employees for services	(515,963)
Cash payments to suppliers for goods and services	(617,411)
Net cash used by operating activities	(587,529)
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	493,689
Net cash provided by noncapital financing activities	493,689
Cash flows from capital financing activities:	
Purchases of fixed assets	(107,229)
Net cash used by capital financing activities	(107,229)
Cash flows from investing activities:	
Interest on investments	-
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	(201,069)
Cash and cash equivalents, July 1	557,001
Cash and cash equivalents, June 30	\$ 355,932
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (728,057)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	50,586
Federal commodities	84,889
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	1,740
(Increase)/decrease in inventory	(592)
Increase/(decrease) in unearned revenue	15,917
Increase/(decrease) in accounts payable	(12,012)
Net cash used by operating activities	\$ (587,529)

Fiduciary Funds

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

	<u>Agency Funds</u>		<u>Employee Benefit Trust Funds</u>	<u>Total</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Unemployment Compensation</u>	
ASSETS:				
Cash and cash equivalents	\$ 362,422	\$ 105	\$ 51,055	\$ 413,582
Interfund receivable	-	39,275	71,575	110,850
TOTAL ASSETS	<u>362,422</u>	<u>39,380</u>	<u>122,630</u>	<u>524,432</u>
LIABILITIES:				
Accounts payable	-	-	51,128	51,128
Interfund payable	-	20,420	-	20,420
Payroll deductions and withholdings	-	18,960	-	18,960
Due to student groups	362,422	-	-	362,422
Total liabilities	<u>362,422</u>	<u>39,380</u>	<u>51,128</u>	<u>452,930</u>
NET POSITION:				
Restricted for:				
Reserved for unemployment claims	-	-	71,502	71,502
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,502</u>	<u>\$ 71,502</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Statement of Change in Fiduciary Net Position
for the Fiscal Year ended June 30, 2020

	<u>Unemployment Compensation Insurance Fund</u>
REVENUES:	
Local sources:	
Employee contributions	<u>\$ 42,969</u>
Total Revenues	<u>42,969</u>
 EXPENDITURES:	
Current Expense:	
Undistributed Expenditures:	
Unemployment claims	<u>91,194</u>
Total Expenditures	<u>91,194</u>
Excess (deficiency) of revenues over (under) expenditures)	(48,225)
Net Assets July 1	<u>119,727</u>
Net Assets June 30	<u><u>\$ 71,502</u></u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable June 30, 2020</u>	<u>Balance June 30, 2020</u>
Delran School District					
Activity Funds	\$ 325,192	\$ 508,407	\$ 522,456	\$ -	\$ 311,143
Athletic Funds	<u>27,914</u>	<u>169,151</u>	<u>145,786</u>	<u>-</u>	<u>51,279</u>
Total	<u>\$ 353,106</u>	<u>\$ 677,558</u>	<u>\$ 668,242</u>	<u>\$ -</u>	<u>\$ 362,422</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and cash equivalents	\$ 210,460	\$ 28,065,017	\$ 28,275,372	\$ 105
Interfund receivable	<u>-</u>	<u>39,275</u>	<u>-</u>	<u>39,275</u>
Total assets	<u>\$ 210,460</u>	<u>\$ 28,104,292</u>	<u>\$ 28,275,372</u>	<u>\$ 39,380</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 209,799	\$ 12,880,842	\$ 13,071,681	\$ 18,960
Net payroll	-	15,193,140	15,193,140	-
Interfund payable	<u>661</u>	<u>30,310</u>	<u>10,551</u>	<u>20,420</u>
Total liabilities	<u>\$ 210,460</u>	<u>\$ 28,104,292</u>	<u>\$ 28,275,372</u>	<u>\$ 39,380</u>

Long-Term Debt Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2019	Issued	Retired	Balance June 30, 2020
Refunding Bonds	10/6/2015	\$ 2,115,000	01/15/2021	\$ 310,000	2.000%	\$ 1,255,000	\$ -	\$ 305,000	\$ 950,000
			01/15/2022	315,000	4.000%				
			01/15/2023	325,000	2.000%				
Refunding School Bonds	4/14/2016	21,360,000	7/15/2020	1,455,000	4.000%	20,880,000		1,395,000	19,485,000
			7/15/2021	1,515,000	4.000%				
			7/15/2022	1,575,000	4.000%				
			7/15/2023	1,980,000	4.000%				
			7/15/2024	2,045,000	2.000%				
			7/15/2025	2,080,000	2.000%				
			7/15/2026	2,125,000	2.125%				
			7/15/2027	2,180,000	4.000%				
			7/15/2028	2,245,000	2.250%				
			7/15/2029	2,285,000	2.500%				
Total						<u>\$ 22,135,000</u>	<u>\$ -</u>	<u>\$ 1,700,000</u>	<u>\$ 20,435,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Capital Leases
June 30, 2020

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2019	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2020
Surveillance System	1.92%	\$ 122,130	\$ 25,364	\$ -	\$ 25,364	\$ -
Installation of Access Points	1.82%	170,664	35,374		35,374	-
Energy Savings Improvement Program	2.38%	4,560,000	3,774,000		250,000	3,524,000
Technology Equipment	3.25%	105,204	35,056	-	35,056	-
Technology Equipment	2.00%	285,880	<u>285,880</u>	<u>-</u>		<u>285,880</u>
Total			<u>\$ 4,155,674</u>	<u>\$ -</u>	<u>\$ 345,794</u>	<u>\$ 3,809,880</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,962,551	\$ -	\$ 1,962,551	\$ 1,962,551	\$ -
Miscellaneous					-
Total revenues - local sources	<u>1,962,551</u>		<u>1,962,551</u>	<u>1,962,551</u>	
State sources:					
Debt service aid type II	<u>377,752</u>		<u>377,752</u>	<u>377,752</u>	
Total revenues - state sources	<u>377,752</u>		<u>377,752</u>	<u>377,752</u>	
Total Revenues	<u>2,340,303</u>		<u>2,340,303</u>	<u>2,340,303</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	642,794		642,794	642,794	
Interest on bonds	<u>1,700,000</u>		<u>1,700,000</u>	<u>1,700,000</u>	-
Total Expenditures	<u>2,342,794</u>		<u>2,342,794</u>	<u>2,342,794</u>	-
Excess (Deficiency) of revenues over (under) expenditures	(2,491)		(2,491)	(2,491)	
Other Financing Sources (Uses):					
Operating transfer in				-	-
Total Other Financing Sources (Uses)				-	-
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(2,491)		(2,491)	(2,491)	-
Fund Balances, July 1	<u>6,571</u>		<u>6,571</u>	<u>6,571</u>	-
Fund Balances, June 30	<u>\$ 4,080</u>	<u>\$ -</u>	<u>\$ 4,080</u>	<u>\$ 4,080</u>	<u>\$ -</u>

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ (967,535)	\$ 7,020,702	\$ 8,434,666	\$ 9,582,074	\$ 10,712,615	\$ 10,878,711	\$ 7,573,286	\$ 9,030,715	\$ 10,530,730	\$ (4,026,452)
Restricted for:	-	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	-
Capital projects	9,217,174	2,507,499	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443	3,852,514
Debt service	(213,011)	184,770	16,772	498	1	38,111	165,581	129,961	6,571	4,080
Other purposes	2,529,736	3,466,309	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714	5,197,323
Unrestricted	(342,961)	(1,166,724)	(1,361,007)	(1,294,478)	(8,719,600)	(8,758,019)	(10,214,670)	(10,861,221)	(11,047,165)	(10,966,677)
Total governmental activities net position	<u>\$ 10,223,403</u>	<u>\$ 12,012,556</u>	<u>\$ 12,575,525</u>	<u>\$ 12,308,604</u>	<u>\$ 5,662,307</u>	<u>\$ 5,376,637</u>	<u>\$ 1,715,232</u>	<u>\$ 3,606,003</u>	<u>\$ 5,571,293</u>	<u>\$ (5,939,212)</u>
Business-type activities:										
Net investment in capital assets	\$ 164,259	\$ 176,928	\$ 215,563	\$ 214,303	\$ 174,790	\$ 236,411	\$ 253,287	\$ 224,091	\$ 314,557	\$ 371,201
Unrestricted	408,582	411,440	391,787	477,672	393,459	416,701	516,167	573,706	568,549	368,901
Total business-type activities net position	<u>\$ 572,841</u>	<u>\$ 588,368</u>	<u>\$ 607,350</u>	<u>\$ 691,975</u>	<u>\$ 568,249</u>	<u>\$ 653,112</u>	<u>\$ 769,454</u>	<u>\$ 797,797</u>	<u>\$ 883,106</u>	<u>\$ 740,102</u>
District-wide:										
Net investment in capital assets	\$ (803,276)	\$ 7,197,630	\$ 8,650,229	\$ 9,796,377	\$ 10,887,405	\$ 11,115,122	\$ 7,826,573	\$ 9,254,806	\$ 10,845,287	\$ (3,655,251)
Restricted:	-	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	-
Capital projects	9,217,174	2,507,499	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443	3,852,514
Debt service	(213,011)	184,770	16,772	498	1	38,111	165,581	129,961	6,571	4,080
Other purposes	2,529,736	3,466,309	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714	5,197,323
Unrestricted	65,621	(755,284)	(969,220)	(816,806)	(8,326,141)	(8,341,318)	(9,698,503)	(10,287,515)	(10,478,616)	(10,597,776)
Total district net position	<u>\$ 10,796,244</u>	<u>\$ 12,600,924</u>	<u>\$ 13,182,875</u>	<u>\$ 13,000,579</u>	<u>\$ 6,230,556</u>	<u>\$ 6,029,749</u>	<u>\$ 2,484,686</u>	<u>\$ 4,403,800</u>	<u>\$ 6,454,399</u>	<u>\$ (5,199,110)</u>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 12,943,169	\$ 12,361,189	\$ 12,889,137	\$ 13,585,210	\$ 13,678,892	\$ 13,777,859	\$ 14,271,786	\$ 14,874,881	\$ 14,812,158	\$ 15,045,728
Special education	3,572,329	3,587,291	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935	5,031,505
Other instruction	1,101,835	1,128,614	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920	1,514,060
Support Services:										
Tuition	1,356,143	1,745,432	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482	2,478,924
Student & instruction related services	3,966,987	4,148,865	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726	5,803,141
School administrative services	1,356,442	1,432,907	1,630,873	1,567,995	1,536,975	1,523,544	1,536,303	1,446,260	1,538,027	1,525,236
General and business administrative services	1,400,947	1,407,930	1,390,571	1,491,862	1,461,655	1,334,095	1,333,872	1,258,288	1,273,087	1,377,562
Plant operations and maintenance	3,837,723	3,629,140	4,465,667	4,253,137	3,450,635	5,640,717	8,265,197	4,128,216	4,904,280	22,004,120
Pupil transportation	2,496,052	2,665,982	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489	1,794,948
Business and other support services										
Unallocated employee benefits	8,182,693	8,211,029	9,534,225	9,802,155	11,000,704	12,469,191	13,951,781	27,578,154	24,849,063	23,433,200
Special schools										
Charter schools								52,612	19,535	20,421
Interest on long-term debt	1,360,773	1,321,345	1,291,209	1,236,235	1,156,126	959,055	794,684	754,274	699,256	614,423
Unallocated depreciation	66,101	65,478	6,910	42,481	46,777	25,715	76,834	37,704	38,018	9,993
Total governmental activities expenses	<u>41,641,194</u>	<u>41,705,202</u>	<u>45,176,371</u>	<u>46,362,786</u>	<u>47,419,876</u>	<u>51,086,566</u>	<u>55,606,534</u>	<u>66,201,424</u>	<u>65,469,976</u>	<u>80,653,261</u>
Business-type activities:										
Food service	938,826	1,015,497	1,070,224	1,094,819	1,350,480	1,275,494	1,208,353	1,277,048	1,203,391	1,256,245
Total business-type activities expense	<u>938,826</u>	<u>1,015,497</u>	<u>1,070,224</u>	<u>1,094,819</u>	<u>1,350,480</u>	<u>1,275,494</u>	<u>1,208,353</u>	<u>1,277,048</u>	<u>1,203,391</u>	<u>1,256,245</u>
Total district expenses	<u>\$ 42,580,020</u>	<u>\$ 42,720,699</u>	<u>\$ 46,246,595</u>	<u>\$ 47,457,605</u>	<u>\$ 48,770,356</u>	<u>\$ 52,362,060</u>	<u>\$ 56,814,887</u>	<u>\$ 67,478,472</u>	<u>\$ 66,673,367</u>	<u>\$ 81,909,506</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 4,418,345	\$ 4,655,117	\$ 4,777,516	\$ 5,020,135	\$ 5,459,573	\$ 7,183,901	\$ 6,581,335	\$ 21,855,915	\$ 18,959,751	\$ 17,567,684
Total governmental activities program revenues	<u>4,418,345</u>	<u>4,655,117</u>	<u>4,777,516</u>	<u>5,020,135</u>	<u>5,459,573</u>	<u>7,183,901</u>	<u>6,581,335</u>	<u>21,855,915</u>	<u>18,959,751</u>	<u>17,567,684</u>

(Continued)

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Food service	\$ 697,438	\$ 703,921	\$ 668,896	\$ 703,279	\$ 718,271	\$ 753,121	\$ 766,428	\$ 755,057	\$ 760,328	\$ 528,188
Operating grants and contributions	287,425	324,993	417,918	478,165	508,483	546,300	558,267	550,334	528,372	585,053
Capital grants and contributions										
Total business type activities program revenues	<u>984,863</u>	<u>1,028,914</u>	<u>1,086,814</u>	<u>1,181,444</u>	<u>1,226,754</u>	<u>1,299,421</u>	<u>1,324,695</u>	<u>1,305,391</u>	<u>1,288,700</u>	<u>1,113,241</u>
Total district program revenues	<u>\$ 5,403,208</u>	<u>\$ 5,684,031</u>	<u>\$ 5,864,330</u>	<u>\$ 6,201,579</u>	<u>\$ 6,686,327</u>	<u>\$ 8,483,322</u>	<u>\$ 7,906,030</u>	<u>\$ 23,161,306</u>	<u>\$ 20,248,451</u>	<u>\$ 18,680,925</u>
Net (Expense)/Revenue:										
Governmental activities	(37,222,849)	(37,050,085)	(40,398,855)	(41,342,651)	(41,960,303)	(43,902,665)	(49,025,199)	(44,345,509)	(46,510,225)	(63,085,577)
Business-type activities	46,037	13,417	16,590	86,625	(123,726)	23,927	116,342	28,343	85,309	(143,004)
Total district-wide net expense	<u>(37,176,812)</u>	<u>(37,036,668)</u>	<u>(40,382,265)</u>	<u>(41,256,026)</u>	<u>(42,084,029)</u>	<u>(43,878,738)</u>	<u>(48,908,857)</u>	<u>(44,317,166)</u>	<u>(46,424,916)</u>	<u>(63,228,581)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	24,790,975	25,383,164	26,290,827	26,816,644	28,374,222	29,341,706	30,804,368	31,420,455	32,048,864	32,689,841
Taxes levied for debt service	2,084,404	1,864,473	1,942,891	2,090,932	2,051,483	2,054,177	2,075,461	1,965,232	1,849,788	1,962,551
Unrestricted grants and contributions	10,436,232	11,330,345	12,240,166	11,949,588	12,121,250	11,964,625	12,126,123	12,631,641	14,095,659	16,492,207
Investment earnings	249,539	45,436	103,035	104,203	-	-	-	-	-	-
Miscellaneous income	332,161	215,820	767,136	114,363	184,528	256,487	357,842	218,952	481,204	430,473
Transfers										
Total governmental activities	<u>37,893,311</u>	<u>38,839,238</u>	<u>41,344,055</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,616,995</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>	<u>51,575,072</u>
Business-type activities:										
Investment earnings	3,963	2,110	392	-	-	-	-	-	-	-
Contributed capital	-	-	-	-	-	60,936	-	-	-	-
Total business-type activities	<u>3,963</u>	<u>2,110</u>	<u>392</u>	<u>-</u>	<u>-</u>	<u>60,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>37,897,274</u>	<u>38,841,348</u>	<u>41,344,447</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,677,931</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>	<u>51,575,072</u>
Change in Net Position:										
Governmental activities	\$ 670,462	\$ 1,789,153	\$ 945,200	\$ (266,921)	\$ 771,180	\$ (285,670)	\$ (3,661,405)	\$ 1,890,771	\$ 1,965,290	\$ (11,510,505)
Business-type activities	50,000	15,527	16,982	86,625	(123,726)	84,863	116,342	28,343	85,309	(143,004)
Total district-wide	<u>\$ 720,462</u>	<u>\$ 1,804,680</u>	<u>\$ 962,182</u>	<u>\$ (180,296)</u>	<u>\$ 647,454</u>	<u>\$ (200,807)</u>	<u>\$ (3,545,063)</u>	<u>\$ 1,919,114</u>	<u>\$ 2,050,599</u>	<u>\$ (11,653,509)</u>

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Reserved for:										
Encumbrances	\$ 44,859	\$ 105,738	\$ 214,577	\$ 72,938	\$ 4,487	\$ 53,169	\$ 38,254	\$ 267,653	\$ 115,239	\$ 1,850,017
Maintenance reserve	300,000	300,000	300,000	156,325	156,325	156,325	156,325	457,232	859,884	1,860,190
Capital reserve	1,389,314	1,847,731	1,551,146	1,102,219	1,257,888	518,594	1,318,594	2,326,242	3,148,341	3,346,412
Legally restricted	600,000	400,000	909,015	621,248	701,580	675,000	675,000	333,991	708,044	783,967
Excess surplus	1,584,877	2,660,571	2,367,312	1,979,210	1,475,606	1,288,689	1,476,805	1,395,373	743,547	703,149
Unreserved	103,435	(33,044)	62,240	161,861	196,045	125,651	165,748	(165,137)	(272,245)	(172,464)
Total general fund	<u>\$ 4,022,485</u>	<u>\$ 5,280,996</u>	<u>\$ 5,404,290</u>	<u>\$ 4,093,801</u>	<u>\$ 3,791,931</u>	<u>\$ 2,817,428</u>	<u>\$ 3,830,726</u>	<u>\$ 4,615,354</u>	<u>\$ 5,302,810</u>	<u>\$ 8,371,271</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 5,267,712	\$ 532,688	\$ 119,180	\$ 15,165	\$ -	\$ -	\$ 47,348	\$ -	\$ -	\$ -
Debt service reserve										
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	2,560,148	127,080	23,864	73,405	73,405	526,057	478,709	526,057	506,102	506,102
Debt service fund	412,472	184,770	16,772	498	1	38,111	165,581	129,961	6,571	4,080
Total all other governmental funds	<u>\$ 8,240,332</u>	<u>\$ 844,538</u>	<u>\$ 159,816</u>	<u>\$ 89,068</u>	<u>\$ 73,406</u>	<u>\$ 564,168</u>	<u>\$ 691,638</u>	<u>\$ 656,018</u>	<u>\$ 512,673</u>	<u>\$ 510,182</u>

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

Exhibit J-4

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 26,875,379	\$ 27,247,637	\$ 28,233,718	\$ 28,907,576	\$ 30,425,705	\$ 31,395,883	\$ 32,879,829	\$ 33,385,687	\$ 33,898,652	\$ 34,652,392
Tuition charges	17,962	45,436	103,035	104,203	85,960	119,734	111,891	39,298	60,249	110,696
Interest earnings	173,375	57,426	1,983	-	5,669	4,397	6,285	2,491	19,545	-
Miscellaneous	400,240	170,106	773,798	117,054	92,899	147,114	254,251	249,231	401,410	889,615
State sources	13,538,492	14,430,812	16,004,392	15,793,662	16,465,984	17,909,513	17,596,690	18,717,152	21,495,363	23,547,446
Federal sources	1,306,208	1,542,938	1,010,364	1,173,370	1,114,839	1,224,255	1,096,183	1,118,437	1,205,859	1,333,880
Total revenue	<u>42,311,656</u>	<u>43,494,355</u>	<u>46,127,290</u>	<u>46,095,865</u>	<u>48,191,056</u>	<u>50,800,896</u>	<u>51,945,129</u>	<u>53,512,296</u>	<u>57,081,078</u>	<u>60,534,029</u>
Expenditures										
Instruction										
Regular Instruction	12,219,571	11,896,904	12,259,661	12,877,848	13,026,318	13,151,593	13,732,319	14,299,393	14,296,065	14,905,664
Special education instruction	3,572,329	3,587,291	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935	5,031,505
Other instruction	1,101,835	1,128,614	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920	1,514,060
Support Services:										
Tuition	1,356,143	1,745,432	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482	2,478,924
Student & instruction related services	3,966,987	4,148,865	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726	5,803,141
School administrative services	1,356,442	1,407,930	1,533,690	1,567,995	1,536,975	1,523,544	1,457,422	1,446,260	1,538,027	1,525,236
General and business admin. services	1,325,230	1,358,437	1,390,571	1,396,782	1,368,100	1,247,661	1,333,872	1,182,879	1,197,051	1,245,430
Plant operations and maintenance	3,671,948	3,300,342	3,972,164	4,180,860	3,989,204	3,690,640	3,878,332	3,902,715	4,006,103	4,179,560
Pupil transportation	2,496,052	2,665,982	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489	1,794,948
Employee benefits	8,182,693	8,211,029	9,534,225	9,802,155	10,931,521	12,204,931	12,596,330	12,679,018	14,427,659	14,860,488
Charter School								52,612	19,535	20,421
Capital outlay	13,604,868	7,586,870	1,725,450	1,016,984	269,700	1,990,319	4,629,319	845,175	1,748,265	1,765,888
Debt service:										
Principal	1,929,409	1,344,788	1,301,769	1,354,515	1,330,000	1,385,000	1,720,000	1,595,000	1,655,000	1,700,000
Interest and other charges	936,725	1,249,154	1,291,209	1,236,234	1,181,170	1,276,516	640,690	768,094	703,794	642,794
Total expenditures	<u>55,720,232</u>	<u>49,631,638</u>	<u>46,976,518</u>	<u>47,817,084</u>	<u>48,721,100</u>	<u>51,826,594</u>	<u>55,364,361</u>	<u>52,842,181</u>	<u>56,928,051</u>	<u>57,468,059</u>
Excess (Deficiency) of revenues over (under) expenditures	(13,408,576)	(6,137,283)	(849,228)	(1,721,219)	(530,044)	(1,025,698)	(3,419,232)	670,115	153,027	3,065,970
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	24,609,674	4,560,000	-	-	-
Payment to escrow agent	-	-	-	-	-	(24,428,603)	-	-	-	-
Capital leases	-	-	287,800	339,982	212,512	360,886	-	78,893	391,084	-
Transfers in	168,493	16,271	495	-	-	1,039,294	-	2,491	4,080	-
Transfers out	(168,493)	(16,271)	(495)	-	-	(1,039,294)	-	(2,491)	(4,080)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>287,800</u>	<u>339,982</u>	<u>212,512</u>	<u>541,957</u>	<u>4,560,000</u>	<u>78,893</u>	<u>391,084</u>	<u>-</u>
Net change in fund balances	<u>\$ (13,408,576)</u>	<u>\$ (6,137,283)</u>	<u>\$ (561,428)</u>	<u>\$ (1,381,237)</u>	<u>\$ (317,532)</u>	<u>\$ (483,741)</u>	<u>\$ 1,140,768</u>	<u>\$ 749,008</u>	<u>\$ 544,111</u>	<u>\$ 3,065,970</u>
Debt service as a percentage of noncapital expenditures	6.81%	6.17%	5.73%	5.54%	5.18%	5.34%	4.65%	4.54%	4.27%	4.21%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Exhibit J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Other Refunds</u>	<u>Shared Services</u>	<u>Sale of Used Equipment</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 81,046	\$ 17,962	\$ 26,480	\$ 172,231	\$ 21,476	\$ 62,305	\$ -	\$ -	\$ 31,707	\$ 413,207
2012	35,355	45,436	30,863	73,824	30,352	17,256			6,099	239,185
2013	9,006	103,035	94,364	616,259	26,157	19,020			1,835	869,676
2014	6,315	104,203	14,286	44,135	10,012	18,240	15,000		6,375	218,566
2015	5,669	85,960	22,808	6,271	15,859	14,859	4,167	6,772	22,163	184,528
2016	4,397	119,734		7,430	20,338	93,338		2,359	798	248,394
2017	6,285	111,891	31,791	38,204	32,105	103,725		21,685	3,306	348,992
2018	16,642	39,298		45,282	55,354	48,311		11,061	863	216,811
2019	19,545	60,249		9,060	18,875	3,080			26,528	137,337
2020	38,828	110,696	18,515	18,393	21,276	215,345		5,911	1,509	430,473
	<u>\$ 223,088</u>	<u>\$ 798,464</u>	<u>\$ 239,107</u>	<u>\$ 1,031,089</u>	<u>\$ 251,804</u>	<u>\$ 595,479</u>	<u>\$ 19,167</u>	<u>\$ 47,788</u>	<u>\$ 101,183</u>	<u>\$ 3,307,169</u>

Source: District records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2011	\$ 11,153,500	\$1,207,677,800	\$ 2,567,800	\$ 157,500	\$ 182,561,200	\$ 98,921,200	\$ 60,038,300	\$1,563,077,300	\$ 1,938,751	\$1,565,016,051	\$ 94,152,600	\$ 1.730	\$ 1,786,214,752
2012	8,652,500	1,077,936,200	2,079,700	176,400	170,578,392	93,005,700	54,979,400	1,407,408,292	2,167,078	1,409,575,370	94,024,900	1.954	1,676,731,931
2013	8,661,300	1,078,760,400	2,079,700	176,400	170,339,392	91,643,700	54,979,400	1,406,640,292	1,793,488	1,408,433,780	92,892,800	2.042	1,595,150,639
2014	8,788,000	1,077,322,500	2,101,800	165,100	169,197,092	88,908,700	55,459,400	1,401,942,592	1,428,041	1,403,370,633	101,459,700	2.113	1,556,849,076
2015	8,788,000	1,077,316,900	2,101,800	165,100	169,007,792	86,908,700	55,459,400	1,399,747,692	100	1,399,747,792	101,847,100	2.209	1,538,686,754
2016	13,182,000	1,077,929,700	1,358,000	63,600	168,505,292	84,813,300	55,669,400	1,401,521,292	94	1,401,521,386	102,348,400	2.294	1,501,077,722
2017	13,413,500	1,078,777,900	992,100	50,300	177,038,792	81,554,500	55,699,400	1,407,526,492	94	1,407,526,586	102,106,800	2.353	1,482,302,876
2018	12,164,300	1,084,555,700	776,600	46,300	176,468,292	81,554,500	56,089,400	1,411,655,092	90	1,411,655,182	102,779,100	2.383	1,575,402,048
2019	9,678,200	1,090,558,700	776,600	46,300	177,248,692	81,054,500	56,284,400	1,415,647,392	90	1,415,647,482	104,504,300	2.422	1,600,293,008
2020	11,132,400	1,095,433,100	410,400	36,800	181,430,000	80,554,500	56,284,400	1,425,281,600	90	1,425,281,690	105,501,700	2.454	1,648,121,796

Source: Municipal Tax Assessor

Note:

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

Exhibit J-7

Fiscal Year Ended June 30,	Delan School District Direct Rate			Overlapping Rates		Municipal Open Space	Fire District	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Delran	Burlington County			
2011	\$ 1.604	\$ 0.126	\$ 1.730	\$ 0.683	\$ 0.433	\$ 0.020	\$ 0.114	\$ 2.980
2012	1.819	0.135	1.954	0.744	0.452	0.023	0.127	3.300
2013	1.899	0.143	2.042	0.756	0.431	0.023	0.134	3.386
2014	1.966	0.147	2.113	0.756	0.425	0.023	0.133	3.450
2015	2.062	0.147	2.209	0.765	0.455	0.023	0.155	3.607
2016	2.147	0.147	2.294	0.764	0.437	0.023	0.150	3.668
2017	2.209	0.144	2.353	0.761	0.429	0.023	0.157	3.723
2018	2.248	0.135	2.383	0.772	0.447	0.023	0.158	3.783
2019	2.287	0.135	2.422	0.791	0.451	0.022	0.161	3.847
2020	2.317	0.137	2.454	0.790	0.458	0.022	0.159	3.883

Source: Municipal Tax Collector

Note:

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

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

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

Exhibit J-8

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 40,353,300	2.83%	Berk & Berk Hunter's Glen	\$ 49,325,700	3.15%
New Jersey American Water Co.	25,421,800	1.78%	New Jersey American Water Co.	28,421,800	1.82%
Hartford Corners	24,359,800	1.71%	Whitesell Enterprises	27,843,100	1.78%
Simon & Schuster	20,900,000	1.47%	Hartford Corners	23,391,000	1.49%
Tenby Chase Investors, LLC	16,460,400	1.15%	Tenby Chase Investors, LLC	16,460,400	1.05%
GDT	10,500,000	0.74%	Simon & Shuster	14,358,700	0.92%
Target	9,598,900	0.67%	Amcor Rigid Plastics	14,326,000	0.92%
INVO Delran 2LP	9,235,600	0.65%	Target	9,598,900	0.61%
Lowe's	9,096,200	0.64%	Lowe's	9,096,200	0.58%
Millside Plaza	7,729,400	0.54%	KIOP Delran	7,729,400	0.49%
Total	\$ 173,655,400	12.18%		\$ 200,551,200	12.81%

Source: Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 26,000,114	\$ 26,000,114	100.00%	\$ -
2012	27,061,508	27,061,508	100.00%	-
2013	28,233,718	28,233,718	100.00%	-
2014	28,907,576	28,907,576	100.00%	-
2015	30,425,705	30,425,705	100.00%	-
2016	31,395,883	31,395,883	100.00%	-
2017	32,879,829	32,879,829	100.00%	-
2018	33,385,687	33,385,687	100.00%	-
2019	33,898,652	33,898,652	100.00%	-
2020	34,652,392	34,652,392	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Capital Leases	EDA Loans	Capital Leases				
2011	\$ 32,618,000	\$ 286,501	\$ 230,437	\$ -	\$ 33,134,938	3.91%	\$ 1,957	
2012	31,443,000	104,872	156,283	-	31,704,155	3.67%	1,875	
2013	30,218,000	79,189	79,514	-	30,376,703	3.50%	1,807	
2014	28,943,000	418,281	-	-	29,361,281	3.25%	1,748	
2015	27,613,000	458,875	-	-	28,071,875	2.99%	1,682	
2016	27,105,000	620,194	-	-	27,725,194	2.90%	1,674	
2017	25,385,000	4,934,594	-	-	30,319,594	3.09%	1,835	
2018	23,790,000	4,418,425	-	-	28,208,425	2.75%	1,709	
2019	22,135,000	4,155,674	-	-	26,290,674	c	1,594	
2020	20,435,000	3,809,880	-	-	24,244,880	c	c	

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

a Based on Per Capita Income for Burlington County

b Based on School District Population as of July 1.

c Not available

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 32,618,000	\$ -	\$ 32,618,000	2.08%	\$ 1,926
2012	31,443,000	-	31,443,000	2.23%	1,859
2013	30,218,000	-	30,218,000	2.15%	1,797
2014	28,943,000	-	28,943,000	2.06%	1,723
2015	27,613,000	-	27,613,000	1.97%	1,654
2016	27,105,000	-	27,105,000	1.93%	1,636
2017	25,385,000	-	25,385,000	1.80%	1,537
2018	23,790,000	-	23,790,000	1.69%	1,442
2019	22,135,000	-	22,135,000	1.56%	1,342
2020	20,435,000	-	20,435,000	1.43%	c

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

a See Exhibit J-6 for property tax data.

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

c Information not available.

**Delran Township School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2019**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 15,298,193	100.000%	\$ 15,298,193
Burlington County General Obligation Debt	221,311,009	3.326%	7,360,804
Subtotal, overlapping debt			22,658,997
Delran Township School District Direct Debt			20,740,000
Total direct and overlapping debt			\$ 43,398,997

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis	
	2017	\$ 1,565,309,711
	2018	1,590,059,802
	2019	<u>1,631,306,052</u>
	[A]	<u>\$ 4,786,675,565</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,595,558,522
Debt limit (4% of average equalized valuation)	[B]	63,822,341 ^a
Net bonded school debt	[C]	<u>20,435,000</u>
Legal debt margin	[B-C]	<u>\$ 43,387,341</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 72,946,567	\$ 70,327,689	\$ 67,043,440	\$ 64,058,599	\$ 62,349,753	\$ 61,096,160	\$ 59,979,326	\$ 60,385,300	\$ 61,676,451	\$ 63,822,341
Total net debt applicable to limit	<u>32,618,000</u>	<u>31,443,000</u>	<u>30,218,000</u>	<u>28,943,000</u>	<u>27,613,000</u>	<u>27,105,000</u>	<u>25,385,000</u>	<u>23,790,000</u>	<u>22,135,000</u>	<u>20,435,000</u>
Legal debt margin	<u>\$ 40,328,567</u>	<u>\$ 38,884,689</u>	<u>\$ 36,825,440</u>	<u>\$ 35,115,599</u>	<u>\$ 34,736,753</u>	<u>\$ 33,991,160</u>	<u>\$ 34,594,326</u>	<u>\$ 36,595,300</u>	<u>\$ 39,541,451</u>	<u>\$ 43,387,341</u>
Total net debt applicable to the limit as a percentage of debt limit	44.71%	44.71%	45.07%	45.18%	44.29%	44.36%	42.32%	39.40%	35.89%	32.02%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	16,934	\$ 846,970,944	\$ 50,016	7.3%
2012	16,912	864,321,584	51,107	7.2%
2013	16,815	868,023,930	51,622	8.2%
2014	16,794	902,845,440	53,760	5.4%
2015	16,692	939,125,304	56,262	4.1%
2016	16,565	957,490,130	57,802	3.9%
2017	16,520	981,106,280	59,389	3.6%
2018	16,502	1,025,104,240	62,120	3.5%
2019	16,492	e	e	3.0%
2020	e	e	e	e

Source:

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

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

Exhibit J-16

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	193	196	196	205	208	211	214	222	222	225
Special education	26	31	31	34	40	41	43	43	43	43
Other special education	12	12	13	13	10	10	10	9	9	13
Support Services:										
Student & instruction related services	75	74	76	80	80	76	79	81	81	81
School administrative services	17	17	17	17	20	20	20	20	20	20
General and business administrative services	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	12	12	12	12	12	12	12	11	11	11
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	9	9	9	9	9	8	9	9	9	8
Total	349	356	359	375	384	383	392	400	400	406

Source: District Personnel Records

Delran Township School District
 Operating Statistics,
 Last Ten Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	Senior High School				
2011	2,955	\$ 39,249,230	\$ 13,282	-2.07%	231	1:16	1:14	1:11	1:11	2,914	2,831	-0.72%	97.15%
2012	2,938	39,450,826	13,428	1.10%	239	1:16	1:14	1:11	1:11	2,893	2,812	-0.72%	97.20%
2013	2,887	42,658,090	14,776	10.04%	240	1:16	1:14	1:11	1:11	2,838	2,754	-1.90%	97.04%
2014	2,950	44,209,351	14,986	1.42%	252	1:16	1:14	1:11	1:11	2,956	2,826	4.16%	95.60%
2015	2,980	45,940,230	15,416	2.87%	258	1:16	1:14	1:11	1:11	2,979	2,840	0.78%	95.33%
2016	3,018	47,174,159	15,631	1.39%	262	1:16	1:14	1:11	1:11	3,020	2,888	1.38%	95.63%
2017	2,986	48,374,352	16,200	3.64%	267	1:16	1:14	1:11	1:11	2,982	2,841	-1.26%	95.27%
2018	2,937	49,633,912	16,900	4.32%	274	1:16	1:14	1:11	1:11	2,946	2,811	-1.21%	95.42%
2019	2,961	52,820,992	17,839	5.56%	274	1:16	1:14	1:11	1:11	2,960	2,843	0.48%	96.05%
2020	2,981	53,359,377	17,900	0.34%	281	1:16	1:14	1:11	1:11	2,984	2,897	0.81%	97.08%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

Exhibit J-18

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District Building										
<u>Elementary</u>										
Delran High School (1975)										
Square Feet	147,355	147,355	158,436	158,436	158,436	158,436	158,436	158,436	158,436	158,436
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	877	867	819	842	851	884	890	879	915	891
Delran Middle School (1960)										
Square Feet	87,800	87,800	100,851	100,851	100,851	100,851	100,851	100,851	100,851	100,851
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	661	672	691	690	691	723	714	734	692	695
Delran Intermediate School (1996)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	745	745	745	745	745	745	745	745	745	745
Enrollment	663	668	694	689	695	660	704	682	695	667
Millbridge Elementary School (1970)										
Square Feet	74,074	74,074	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	945	945	945	945	945	945	945	945	945	945
Enrollment	713	686	634	735	741	753	674	651	658	645

Number of Schools at June 30, 2020
 Elementary = 2
 Middle School = 1
 High School = 1

Source: District Facilities Office

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

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

Exhibit J-19

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

		Fiscal Year Ending June 30,										
	Project #	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
* School Facilities												
Delran School District												
Millbridge School	N/A	\$ 146,740	\$ 139,392	\$ 225,170	\$ 255,682	\$ 203,415	\$ 180,695	\$ 191,295	\$ 193,469	\$ 168,971	\$ 191,765	\$ 1,896,594
Intermediate School	N/A	124,729	118,483	191,395	217,330	172,902	153,591	162,601	164,449	143,625	163,000	1,612,105
Middle School	N/A	176,088	167,270	270,204	306,818	244,098	216,834	229,554	232,163	202,765	230,118	2,275,912
High School	N/A	286,142	271,815	439,081	498,580	396,658	352,356	373,026	377,264	329,494	373,940	3,698,356
Total School Facilities		<u>\$ 733,699</u>	<u>\$ 696,960</u>	<u>\$ 1,125,850</u>	<u>\$ 1,278,410</u>	<u>\$ 1,017,073</u>	<u>\$ 903,476</u>	<u>\$ 956,476</u>	<u>\$ 967,345</u>	<u>\$ 844,855</u>	<u>\$ 958,823</u>	<u>\$ 9,482,967</u>

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

**Delran Township School District
Insurance Schedule
June 30, 2020**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Company		
Commercial Package:		
Building and Contents	\$ 113,819,151	\$ 1,000
School Board Legal Liability	1,000,000	10,000
Commercial Crime/ Blanket Employee Dishonesty	400,000	\$250 per occurrence
Umbrella Declarations	15,000,000	10,000
Excess I Starstone National Insurance	15,000,000	
Markel American Insurance	15,000,000	
Worker's Compensation - New Jersey School Insurance Group	3,000,000	
Student Accident Insurance - US Fire Insurance Company	6,000,000	
Student Accident Base - Arch Insurance Company	500,000	
Surety Bond Coverage's - RLI Insurance Co.		
Treasurer	350,000	
School Business Administrator	350,000	

Source: District records

Single Audit Section

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

INDEPENDENT AUDITOR'S REPORT

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

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
December 18, 2020

INVERSO & STEWART, LLC
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I have audited Delran Township School District's (School District), in the County of Burlington, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In my opinion, the Delran Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance, which are required to be reported under State of New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2020-001. My opinion on the major state program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

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

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

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
December 18, 2020

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2019			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2020		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education																
<u>General Fund:</u>																
Medical Assistance Program - (SEMI)	93.778	2005NJ5MAP	N/A	\$ 44,870	7/1/19 - 6/30/20	\$ -	\$ -	\$ -	\$ -	\$ 44,870	\$ (44,870)	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund						-	-	-	-	44,870	(44,870)	-	-	-	-	-
U.S. Department of Education																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I - Current Year	84.010A	S010A190030	ESSA-1060-20	385,259	7/1/19 - 9/30/20					230,855	(310,786)			(79,931)		
Title I - Prior Year	84.010A	S010A180030	ESSA-1060-19	399,629	7/1/18 - 6/30/19	(91,376)				85,127		6,249		-		
Title IIA - Current Year	84.367A	S367A190029	ESSA-1060-20	57,512	7/1/19 - 9/30/20					25,487	(39,251)			(13,764)		
Title IIA - Prior Year	84.367A	S367A180029	ESSA-1060-19	58,581	7/1/18 - 6/30/19	(4,933)				4,933				-		
Title III - Current Year	84.365A	S365A190030	ESSA-1060-20	76,924	7/1/19 - 9/30/20					19,149	(28,440)			(9,291)		
Title III - Prior Year	84.365A	S365A180030	ESSA-1060-19	80,886	7/1/18 - 6/30/19	(12,932)				12,932				-		
Title III - Current Year - Immigrant	84.365A	S365A190030	ESSA-1060-20	13,980	7/1/19 - 9/30/20					4,349	(5,414)			(1,065)		
Title III - Prior Year - Immigrant	84.365A	S365A180030	ESSA-1060-19	11,791	7/1/18 - 6/30/19	(502)				502				-		
Title IV - Current Year	84.424	S424A190031	ESSA-1060-20	29,390	7/1/19 - 9/30/20					7,358	(12,945)			(5,587)		
Title IV - Prior Year	84.424	S424A180031	ESSA-1060-19	27,077	7/1/18 - 6/30/19	(8,770)				8,770				-		
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																
Part B - Basic - Current Year	84.027	H027A190100	IDEA-1060-20	651,796	7/1/19 - 9/30/20					651,796	(651,796)			-		
Part B - Basic - Prior Year	84.027	H027A180100	IDEA-1060-19	654,574	7/1/18 - 6/30/19	(458,613)				458,613				-		
Part B - Preschool - Current Year	84.173	H173A190114	IDEA-1060-20	23,614	7/1/19 - 9/30/20					23,614	(23,614)			-		
Part B - Preschool - Prior Year	84.173	H173A180114	IDEA-1060-19	23,382	7/1/18 - 6/30/19	(23,382)				23,382				-		
<u>CARES Act</u>	84.425D	S425D200027	N/A	248,911	3/13/20 - 9/30/22						(216,764)			(216,764)		
Total Special Revenue Fund						(600,508)	-	-	-	1,556,867	(1,289,010)	6,249	-	(326,402)	-	-
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.565	201NJ304N1099	N/A	84,889	7/1/19 - 6/30/20					84,889	(84,889)			-		
National School Lunch Program	10.555	201NJ304N1099	N/A	356,811	7/1/19 - 6/30/20					335,322	(356,811)			(21,489)		
National School Lunch Program	10.555	191NJ304N1099	N/A	343,075	7/1/18 - 6/30/19	(18,988)				18,988				-		
School Breakfast Program	10.553	201NJ304N1099	N/A	133,023	7/1/19 - 6/30/20					121,661	(133,023)			(11,362)		
School Breakfast Program	10.553	191NJ304N1099	N/A	92,009	7/1/18 - 6/30/19	(7,030)				7,030				-		
Total Enterprise Fund						(26,018)	-	-	-	567,890	(574,723)	-	-	(32,851)	-	-
Total Federal Awards						\$ (626,526)	\$ -	\$ -	\$ -	\$ 2,169,627	\$ (1,908,603)	\$ 6,249	\$ -	\$ (359,253)	\$ -	\$ -

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

DELTRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2020

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2019			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2020		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
State Department of Education														
<u>General Fund:</u>														
Equalization Aid	20-495-034-5120-078	\$ 12,070,183	7/1/19 - 6/30/20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,929,298	\$ (12,070,183)	\$ -	\$ (1,140,885)	\$ -	\$ -
Equalization Aid	19-495-034-5120-078	10,617,062	7/1/18 - 6/30/19	(995,003)	-	-	-	995,003	-	-	-	-	-	-
Transportation Aid	20-495-034-5120-014	516,610	7/1/19 - 6/30/20	-	-	-	-	467,780	(516,610)	-	(48,830)	-	-	-
Transportation Aid	19-495-034-5120-014	516,610	7/1/18 - 6/30/19	(48,415)	-	-	-	48,415	-	-	-	-	-	-
Special Education Categorical Aid	20-495-034-5120-089	2,561,908	7/1/19 - 6/30/20	-	-	-	-	2,319,754	(2,561,908)	-	(242,154)	-	-	-
Special Education Categorical Aid	19-495-034-5120-089	2,561,908	7/1/18 - 6/30/19	(240,095)	-	-	-	240,095	-	-	-	-	-	-
Security Aid	20-495-034-5120-084	418,930	7/1/19 - 6/30/20	-	-	-	-	379,332	(418,930)	-	(39,598)	-	-	-
Security Aid	19-495-034-5120-084	418,930	7/1/18 - 6/30/19	(39,261)	-	-	-	39,261	-	-	-	-	-	-
Extraordinary Aid	20-495-034-5120-044	650,677	7/1/19 - 6/30/20	-	-	-	-	-	(650,677)	-	(650,677)	-	-	-
Extraordinary Aid	19-495-034-5120-044	387,385	7/1/18 - 6/30/19	(387,385)	-	-	-	387,385	-	-	-	-	-	-
Additional Nonpublic Transportation Aid	19-04103190	19,430	7/1/18 - 6/30/19	(19,430)	-	-	-	19,430	-	-	-	-	-	-
On Behalf TPAF - Pension	20-495-034-5094-002	4,024,685	7/1/19 - 6/30/20	-	-	-	-	4,024,685	(4,024,685)	-	-	-	-	-
On Behalf TPAF - Post Retirement Medical	20-495-034-5094-001	1,493,084	7/1/19 - 6/30/20	-	-	-	-	1,493,084	(1,493,084)	-	-	-	-	-
On Behalf TPAF - Pension LTDI	20-495-034-5094-004	3,369	7/1/19 - 6/30/20	-	-	-	-	3,369	(3,369)	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	1,470,998	7/1/19 - 6/30/20	-	-	-	-	1,398,437	(1,470,998)	-	(72,561)	-	-	-
Total General Fund				(1,729,589)	-	-	-	22,745,328	(23,210,444)	-	(2,194,705)	-	-	-
<u>Special Revenue Fund</u>														
N.J. Nonpublic Aid:														
Textbook Aid	20-100-034-5120-064	15,550	7/1/19 - 6/30/20	-	-	-	-	15,550	(10,777)	-	-	-	-	4,773
Textbook Aid	19-100-034-5120-064	23,016	7/1/18 - 6/30/19	-	-	9,697	-	-	-	9,697	-	-	-	-
Nursing Aid	20-100-034-5120-070	29,003	7/1/19 - 6/30/20	-	-	-	-	29,003	(17,025)	-	-	-	-	11,978
Technology Initiative	20-100-034-5120-373	10,620	7/1/19 - 6/30/20	-	-	-	-	10,620	(10,478)	-	-	-	-	142
Technology Initiative	19-100-034-5120-373	15,516	7/1/18 - 6/30/19	-	-	696	-	-	-	696	-	-	-	-
Security Aid	20-100-034-5120-509	44,850	7/1/19 - 6/30/20	-	-	-	-	44,850	(44,349)	-	-	-	-	501
Security Aid	19-100-034-5120-509	64,950	7/1/18 - 6/30/19	-	-	8,060	-	-	-	8,060	-	-	-	-
Auxiliary Services:														
Compensatory Education	20-100-034-5120-067	51,105	7/1/19 - 6/30/20	-	-	-	-	45,901	(3,821)	-	(5,204)	-	-	47,284
Compensatory Education	19-100-034-5120-067	70,220	7/1/18 - 6/30/19	-	-	57,953	-	-	-	57,953	-	-	-	-
English as a Second Language	20-100-034-5120-067	5,791	7/1/19 - 6/30/20	-	-	-	-	5,201	-	-	(590)	-	-	5,791
English as a Second Language	19-100-034-5120-067	12,079	7/1/18 - 6/30/19	-	-	12,079	-	-	-	12,079	-	-	-	-
Home Instruction	20-100-034-5120-067	1,838	7/1/19 - 6/30/20	-	-	-	-	-	(1,838)	-	(1,838)	-	-	-
Handicapped Services:														
Examination & Classification	20-100-034-5120-066	23,797	7/1/19 - 6/30/20	-	-	-	-	21,373	(14,029)	-	(2,424)	-	-	9,768
Examination & Classification	19-100-034-5120-066	37,500	7/1/18 - 6/30/19	-	-	21,657	-	-	-	21,657	-	-	-	-
Corrective Speech	19-100-034-5120-066	6,250	7/1/18 - 6/30/19	-	-	6,250	-	-	-	6,250	-	-	-	-
Supplemental Instruction	20-100-034-5120-066	9,228	7/1/19 - 6/30/20	-	-	-	-	8,289	(5,656)	-	(939)	-	-	3,572
Supplemental Instruction	19-100-034-5120-066	30,925	7/1/18 - 6/30/19	-	-	30,925	-	-	-	30,925	-	-	-	-
Total Special Revenue Fund				-	-	147,317	-	180,787	(107,973)	147,317	(10,995)	-	-	83,809

Continued

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2020

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2019			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2020		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
New Jersey School Development Authority														
<u>Capital Projects Fund</u>														
Middle School Roof Replacement	1060-007-14-1002	\$ 948,028	7/1/14 - 6/30/15	\$ (302,451)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (302,451)	\$ -	\$ -
<u>Debt Service Fund</u>														
Debt Service Aid Type II	20-495-034-5120-017	381,536	7/1/19 - 6/30/20	-	-	-	-	377,752	(377,752)	-	-	-	-	-
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	20-100-010-3350-023	10,330	7/1/19 - 6/30/20					9,990	(10,330)			(340)		
State School Lunch Program	19-100-010-3350-023	12,574	7/1/18 - 6/30/19	(697)				697						
Total Enterprise Fund				(697)	-	-	-	10,687	(10,330)	-	-	(340)	-	-
Total State Financial Assistance				<u>\$ (2,032,737)</u>	<u>\$ -</u>	<u>\$ 147,317</u>	<u>\$ -</u>	<u>\$ 23,314,554</u>	<u>(23,706,499)</u>	<u>\$ 147,317</u>	<u>\$ (2,508,491)</u>	<u>\$ -</u>	<u>\$ 83,809</u>	
Less: State Financial Expenditures Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted) (4,024,685)														
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted) (1,493,084)														
On-Behalf TPAF Contribution - Pension LTDI (Non-Budgeted) (3,369)														
Total State Financial Expenditures Subject to Major Program Determination <u>\$ (18,185,361)</u>														

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

**Delran Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Delran Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020
(Continued)

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$148,723) in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 44,870	\$ 23,061,721	\$ 23,106,591
Special Revenue	1,289,010	107,973	1,396,983
Debt Service		377,752	377,752
Food Service	<u>574,723</u>	<u>10,330</u>	<u>585,053</u>
Total	<u>\$ 1,908,603</u>	<u>\$ 23,557,776</u>	<u>\$ 25,466,379</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

6. MAJOR PROGRAMS

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

DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>201NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>201NJ304N1099</u>	<u>National School Lunch Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

Finding No. 2020-001

Information on the State Program:

Equalization Aid; GMIS No. 18-495-034-5120-078

Criteria or specific requirement:

The District is required to complete the Application for State School Aid (ASSA) in accordance with the instructions provided by the State Department of Education.

Condition:

The student counts for resident low income did not agree to supporting documents.

Questioned Costs:

None

Context:

My test of the ASSA disclosed an overstatement of twenty-six students in the resident low income when compared to the District's supporting documents.

Effect:

The reported differences may have an impact on the District's State Aid allocation.

Cause:

Oversight

Recommendation:

That care is exercised in preparing the Application for State School Aid.

View of Responsible Officials and Planned Corrective Action:

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

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

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding #2019-001

Condition:

Net cash resources exceeded three months average expenditures

Current Status:

This condition has been corrected.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.