

**DELAWARE TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2021

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



Certified Public Accountants, PC

**DELAWARE TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

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

Richard Weiner
Chief School Administrator

Susan Joyce
Business Administrator/Board Secretary

March 14, 2022

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

The Annual Comprehensive Financial Report of the Delaware Township School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through eight. This includes regular, as well as special education for special need students. The District completed the 2020-2021 Fiscal Year with an enrollment of 362 students. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2011-2012	479.0	4.59%
2012-2013	432.0	-9.81%
2013-2014	408.0	-5.56%
2014-2015	411.0	0.74%
2015-2016	400.2	-2.63%
2016-2017	384.2	-4.16%
2017-2018	389.0	1.01%
2018-2019	372.9	-4.14%
2019-2020	375.4	0.67%
2020-2021	364.3	-2.96%

2) INTERNAL ACCOUNTING CONTROLS:

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

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

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

3) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

4) ACCOUNTING SYSTEM AND REPORTS:

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

5) FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management for the fiscal year ended June 30, 2021.

6) DEBT ADMINISTRATION:

At June 30, 2021, the District had outstanding debt issues of \$2,820,000 at an interest rate of 2.00%.

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

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


9) OTHER INFORMATION:

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

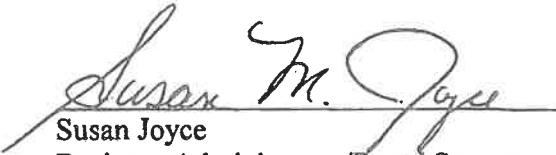
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of Delaware Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the services of our financial staff.

Respectfully submitted,

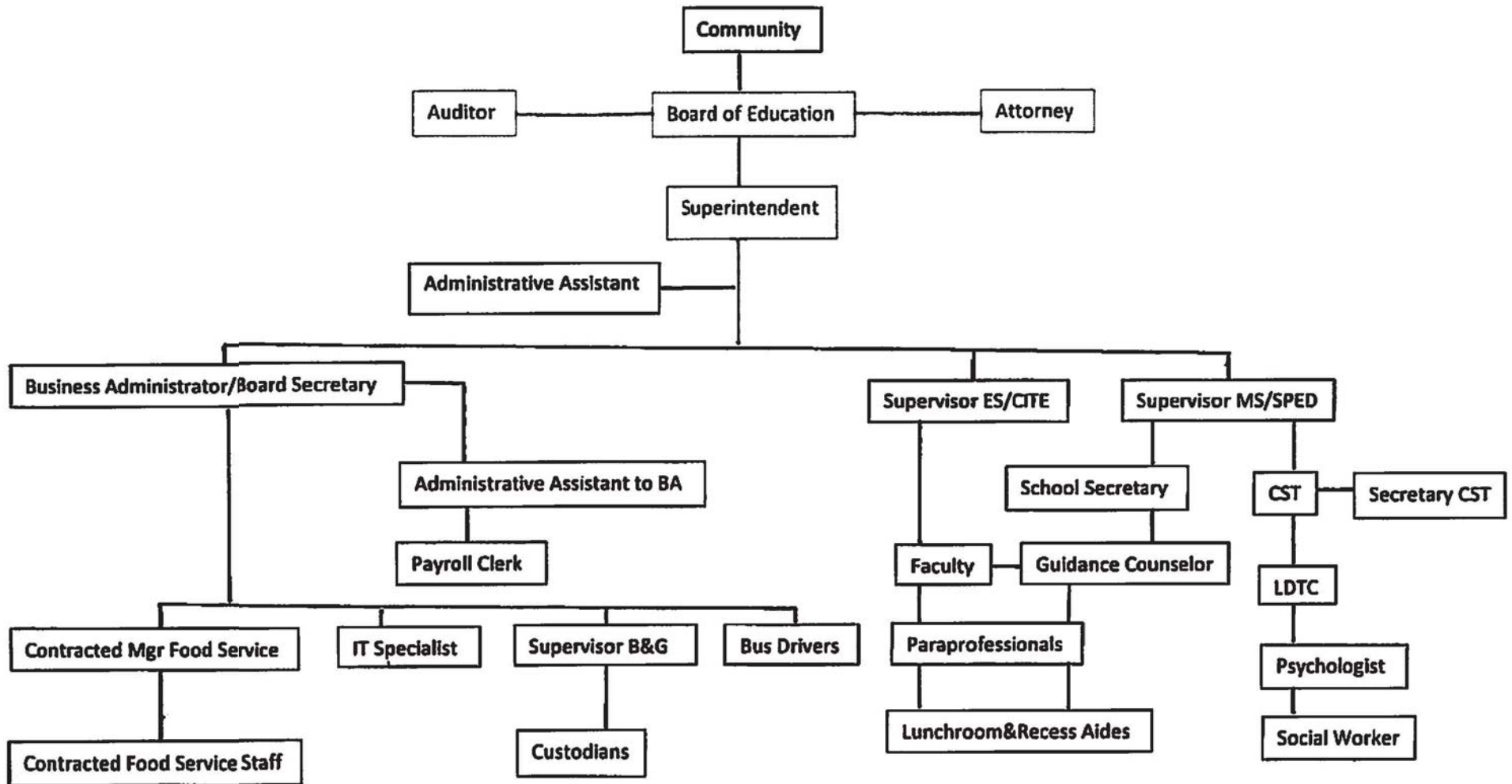


Richard Weiner
Chief School Administrator



Susan Joyce
Business Administrator/Board Secretary

Delaware Township Board of Education Organizational Chart



JUNE 2016

DELAWARE TOWNSHIP SCHOOL DISTRICT
Delaware, New Jersey
Roster of Officials
June 30, 2021

Members of the Board of Education	Title	Term Expires
Catherine Pouria	President	2022
Stefanie Dunn	Vice-President	2022
Rebecca Burns		2021
Tate Hoffman		2021
Laura Hornby		2023
Mary Lyons		2021
Anne May		2023
Heather Opdyke		2023
Joseph Ponzio		2022

Other Officials

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Delaware, New Jersey
Consultants and Advisors
June 30, 2021

AUDIT FIRM

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

ARCHITECT

Gianforcaro
555 East Main Street
Suite One
Chester, NJ 07930

ATTORNEY

Comegno Law Group
521 Pleasant Valley Avenue
Moorestown, NJ 08057

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

OFFICIAL DEPOSITORY

Provident Bank
250 Madison Ave
Morristown, NJ 07960



Certified Public Accountants, PC

www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Delaware Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2021, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Township School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted new accounting guidance as promulgated by GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

March 14, 2022
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

The discussion and analysis of the Delaware Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased \$814,439 which represents a 7.68% increase from 2020.
- General revenues accounted for \$13,998,064, or 97.45% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$366,772 or 2.55% of total revenues of \$14,364,836.
- Total assets of governmental activities decreased by \$13,641 as cash and cash equivalents decreased by \$751,214; receivables and other assets increased by \$63,007; and capital assets increased by \$674,566.
- The School District had \$13,550,397 in expenses; only \$366,772 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,998,064 were adequate to provide for these programs.
- The general fund had \$11,324,547 in revenues and \$10,872,311 in expenditures and net transfers out. The general fund's balance increased \$452,236 over 2020.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Delaware Township School District, the general fund is by far the most significant fund.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during fiscal year 2020-2021?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business activities. Governmental activities are the activities where most of the School District’s programs and services are reported, including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Business activities are the services provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The food service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net position at June 30, 2021 compared to June 30, 2020.

Table 1
Net Position

	06/30/21	06/30/20	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 6,628,644	\$ 7,306,156	\$ (677,512)	-9.27%
Capital assets	9,696,929	9,022,513	674,416	7.47%
Total assets	<u>16,325,573</u>	<u>16,328,669</u>	<u>(3,096)</u>	-0.02%
Deferred pension activity				
Total deferred outflow of resources	<u>350,564</u>	<u>479,879</u>	<u>(129,315)</u>	-26.95%
Liabilities				
Long-term liabilities	4,277,168	5,087,382	(810,214)	-15.93%
Other liabilities	<u>100,001</u>	<u>180,217</u>	<u>(80,216)</u>	-44.51%
Total liabilities	<u>4,377,169</u>	<u>5,267,599</u>	<u>(890,430)</u>	-16.90%
Deferred pension activity				
Total deferred inflow of resources	<u>880,655</u>	<u>937,075</u>	<u>(56,420)</u>	-6.02%
Net position				
Net investment in capital assets	6,876,929	5,667,513	1,209,416	21.34%
Restricted	5,762,451	6,582,940	(820,489)	-12.46%
Unrestricted	<u>(1,221,067)</u>	<u>(1,646,579)</u>	<u>425,512</u>	25.84%
Total net position	<u>\$ 11,418,313</u>	<u>\$ 10,603,874</u>	<u>\$ 814,439</u>	7.68%

Total assets decreased by \$3,096. Cash and cash equivalents decreased by \$751,913, receivables and other assets increased by \$74,401 and capital assets increased by \$674,416. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District, increased by \$425,512.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

Table 2 shows the changes in net position for the fiscal year ended June 30, 2021 compared to June 30, 2020.

Table 2
Changes in Net Position

	<u>06/30/21</u>	<u>06/30/20</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
Revenues				
Program revenues				
Charges for services	\$ 49,252	\$ 207,390	\$ (158,138)	-76.25%
Operating grants & contributions	317,520	163,576	153,944	94.11%
General revenues				
Property taxes	8,749,918	8,806,417	(56,499)	-0.64%
Unrestricted grants	5,141,442	3,680,080	1,461,362	39.71%
Other	106,704	51,099	55,605	108.82%
Total revenues	<u>14,364,836</u>	<u>12,908,562</u>	<u>1,456,274</u>	11.28%
Expenses				
Instruction				
Regular	6,991,361	5,469,777	1,521,584	27.82%
Special	1,895,429	1,562,766	332,663	21.29%
Other	103,172	270,191	(167,019)	-61.82%
Support services				
Tuition	176,213	240,978	(64,765)	-26.88%
Student & instructional related services	1,880,309	1,728,052	152,257	8.81%
General & business administration	729,128	703,742	25,386	3.61%
School administration	146,004	129,154	16,850	13.05%
Maintenance	1,044,869	952,823	92,046	9.66%
Transportation	406,060	443,576	(37,516)	-8.46%
Food service	90,816	100,954	(10,138)	-10.04%
Interest on long term debt	87,036	87,045	(9)	-0.01%
Total expenses	<u>13,550,397</u>	<u>11,689,058</u>	<u>1,861,339</u>	15.92%
Increase (decrease) in net position before special item	<u>\$ 814,439</u>	<u>\$ 1,219,504</u>	<u>\$ (405,065)</u>	-33.22%

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Governmental Activities

Property taxes made up 61.33% of revenues for district-wide activities for the Delaware Township School District for fiscal year 2021.

Instruction comprises 66.34% of district expenses. Support services expenses and interest on long term debt make up 33.66% of district expenses.

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

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/21	06/30/20	06/30/21	06/30/20
Instruction	\$ 8,989,962	\$ 7,302,734	\$ 8,852,103	\$ 7,157,586
Support services				
Tuition	176,213	240,978	119,854	198,609
Student & instructional staff	1,880,309	1,728,052	1,805,283	1,673,725
General & business administration	729,128	703,742	729,128	655,742
School administration	146,004	129,154	146,004	129,154
Plant operations & maintenance	1,044,869	952,823	1,044,869	951,198
Pupil transportation	406,060	443,576	406,060	443,576
Food service	90,816	100,954	(6,712)	21,457
Interest on long-term debt	87,036	87,045	87,036	87,045
Total expenses	<u>\$ 13,550,397</u>	<u>\$ 11,689,058</u>	<u>\$ 13,183,625</u>	<u>\$ 11,318,092</u>

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

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

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

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

The dependence upon tax revenue is apparent. For all activities general revenue support is 97.45%. The community, as a whole, are the primary support for the Delaware Township School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$11,879,865, expenditures of \$12,499,608. The district had a transfer out to the debt service fund of \$275,000 from the capital reserve.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund.

The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. During the course of the fiscal year 2021, the School District amended its general fund budget as needed for tuition revenue and expenditures of specific special education programs as allowed by law.

For the general fund, budget revenue was \$9,701,744, \$46,133 over original budgeted estimates of \$9,655,611. This difference was due primarily to additional extraordinary aid.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Capital Assets

At the end of the fiscal year 2021, the School District had \$9,696,929 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows June 30, 2021 balances compared to June 30, 2020.

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

	06/30/21	06/30/20	Variance	
			Dollars	Percent
Land	\$ 20,000	\$ 20,000	\$ -	0.00%
Construction in progress	169,441	1,191,597	(1,022,156)	-85.78%
Land improvements	295,347	267,378	27,969	10.46%
Buildings & improvements	9,085,020	7,386,442	1,698,578	23.00%
Machinery & equipment	110,498	129,391	(18,893)	-14.60%
Vehicles	16,623	27,705	(11,082)	-40.00%
	<u>\$ 9,696,929</u>	<u>\$ 9,022,513</u>	<u>\$ 674,416</u>	7.47%

Overall capital assets increased \$674,416 from fiscal year 2020 to fiscal year 2021. Increases in capital assets of \$1,206,307 were offset by depreciation expenses of \$531,891. The School District used proceeds from a bond issuance to finance several building renovation projects.

Long-term liabilities

At June 30, 2021, the School District had \$4,277,168 of long-term liabilities. This amount is detailed in Table 5 below for June 30, 2021 compared to June 30, 2020.

At June 30, 2021, the legal debt limit is \$26,032,369. General obligation debt at June 30, 2021 is \$2,820,000 resulting in a legal debt margin of \$23,212,369.

Table 5
Long-Term Liabilities at Year End

	06/30/21	06/30/20	Variance	
			Dollars	Percent
General obligation bonds	\$ 2,820,000	\$ 3,355,000	\$ (535,000)	-15.95%
Compensated absences	115,757	109,209	6,548	6.00%
PERS net pension liability	1,341,411	1,623,173	(281,762)	-17.36%
	<u>\$ 4,277,168</u>	<u>\$ 5,087,382</u>	<u>\$ (810,214)</u>	-15.93%

DELAWARE TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

For the Future

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

In conclusion, the Delaware Township School District has committed itself to an excellent system for financial planning, budgeting and internal financial controls. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, please contact Susan Joyce, School Business Administrator at the Delaware Township Board of Education, 501 Rosemont Road, Ringoes, New Jersey 08557 or email at joycesusan@dtsk8.org.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 584,930	\$ 883	\$ 585,813
Due from other funds, net	3,000	-	3,000
Receivables, net	237,525	14,008	251,533
Inventory	-	7,904	7,904
Restricted cash and cash equivalents	5,780,394	-	5,780,394
Capital assets, net			
Land	20,000	-	20,000
Construction in progress	169,441	-	169,441
Other capital assets, net of depreciation	9,506,064	1,424	9,507,488
Total assets	<u>16,301,354</u>	<u>24,219</u>	<u>16,325,573</u>
Deferred outflows of resources			
Deferred amount on pension activity	350,564	-	350,564
Total deferred outflows of resources	<u>350,564</u>	<u>-</u>	<u>350,564</u>
Liabilities			
Accounts payable	49,984	-	49,984
Due to other funds, net	-	3,000	3,000
Accrued interest	16,406	-	16,406
Payroll deductions and withholdings payable	10,832	-	10,832
Unearned revenue	3,558	7,671	11,229
Unemployment compensation claims payable	8,550	-	8,550
Long-term liabilities			
Due within one year	205,000	-	205,000
Due beyond one year	4,072,168	-	4,072,168
Total liabilities	<u>4,366,498</u>	<u>10,671</u>	<u>4,377,169</u>
Deferred inflows of resources			
Deferred amount on pension liability	880,655	-	880,655

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 6,875,505	\$ 1,424	\$ 6,876,929
Restricted for			
Capital reserve	4,197,761	-	4,197,761
Emergency reserve	175,956	-	175,956
Maintenance reserve	599,988	-	599,988
Scholarships	884	-	884
Student activities	28,665	-	28,665
Unemployment claims	96,666	-	96,666
Capital projects	662,531	-	662,531
Unrestricted	(1,233,191)	12,124	(1,221,067)
Total net position	\$ 11,404,765	\$ 13,548	\$ 11,418,313

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Charges for Services	Program Revenues		Net (Expense) Revenue & Changes in Net Position		
				Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,338,870	\$ 3,652,491	\$ 44,138	\$ 78,379	\$ -	\$ (6,868,844)	\$ -	\$ (6,868,844)
Special education	726,851	797,801	-	5,000	-	(1,519,652)	-	(1,519,652)
Other special education	165,414	205,363	-	9,842	-	(360,935)	-	(360,935)
Other instruction	31,640	71,532	-	500	-	(102,672)	-	(102,672)
Support services								
Tuition	176,213	-	-	56,359	-	(119,854)	-	(119,854)
Students & instruction related services	1,220,432	659,877	4,588	70,438	-	(1,805,283)	-	(1,805,283)
General & business administration services	419,717	309,411	-	-	-	(729,128)	-	(729,128)
School administration services	78,866	67,138	-	-	-	(146,004)	-	(146,004)
Plant operations & maintenance	873,116	171,753	-	-	-	(1,044,869)	-	(1,044,869)
Pupil transportation	362,924	43,136	-	-	-	(406,060)	-	(406,060)
Interest on long-term debt	87,036	-	-	-	-	(87,036)	-	(87,036)
Total governmental activities	<u>7,481,079</u>	<u>5,978,502</u>	<u>48,726</u>	<u>220,518</u>	<u>-</u>	<u>(13,190,337)</u>	<u>-</u>	<u>(13,190,337)</u>
Business-type activities								
Food service	90,816	-	526	97,002	-	-	6,712	6,712
Total business-type activities	<u>90,816</u>	<u>-</u>	<u>526</u>	<u>97,002</u>	<u>-</u>	<u>-</u>	<u>6,712</u>	<u>6,712</u>
Total primary government	<u>\$ 7,571,895</u>	<u>\$ 5,978,502</u>	<u>\$ 49,252</u>	<u>\$ 317,520</u>	<u>\$ -</u>	<u>(13,190,337)</u>	<u>6,712</u>	<u>(13,183,625)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						8,419,709	-	8,419,709
Property taxes levied for debt service						330,209	-	330,209
Federal and state aid not restricted						5,141,442	-	5,141,442
Investment earnings						16,722	-	16,722
Miscellaneous income						89,982	-	89,982
Total general revenues, special items and transfers						<u>13,998,064</u>	<u>-</u>	<u>13,998,064</u>
Change in net position						807,727	6,712	814,439
Net position - beginning (as restated)						10,597,038	6,836	10,603,874
Net position - ending						<u>\$ 11,404,765</u>	<u>\$ 13,548</u>	<u>\$ 11,418,313</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 584,930	\$ -	\$ -	\$ -	\$ 584,930
Due from other funds	111,577	-	-	-	111,577
Account receivable	10,455	500	-	-	10,955
Receivables from other governments					
State	124,329	-	-	-	124,329
Federal	-	102,241	-	-	102,241
Restricted cash and cash equivalents	5,078,920	29,549	671,925	-	5,780,394
Total assets	\$ 5,910,211	\$ 132,290	\$ 671,925	\$ -	\$ 6,714,426
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 99,183	\$ 9,394	\$ -	\$ 108,577
Accounts payable	49,984	-	-	-	49,984
Payroll deductions and withholdings payable	10,832	-	-	-	10,832
Unearned revenue	-	3,558	-	-	3,558
Unemployment compensation claims payable	8,550	-	-	-	8,550
Total liabilities	69,366	102,741	9,394	-	181,501

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2021

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital projects fund balance	\$ -	\$ -	\$ 350,920	\$ -	\$ 350,920
Excess surplus - designated for subsequent year's expenditures	148,719	-	-	-	148,719
Excess surplus - current year	150,000	-	-	-	150,000
Capital reserve	4,197,761	-	-	-	4,197,761
Emergency reserve	175,956	-	-	-	175,956
Maintenance reserve	599,988	-	-	-	599,988
Scholarships	-	884	-	-	884
Student activities	-	28,665	-	-	28,665
Unemployment claims	96,666	-	-	-	96,666
Committed fund balance					
Encumbrances	114,843	-	311,611	-	426,454
Unassigned fund balance	356,912	-	-	-	356,912
Total fund balances	5,840,845	29,549	662,531	-	6,532,925
Total liabilities and fund balances	\$ 5,910,211	\$ 132,290	\$ 671,925	\$ -	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$19,641,595 and the accumulated depreciation is \$9,946,090.	9,695,505
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(530,091)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,277,168)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(16,406)
Total net position of governmental activities	\$ 11,404,765

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 8,419,709	\$ -	\$ -	\$ 330,209	\$ 8,749,918
Tuition charges					
Individuals	44,138	-	-	-	44,138
Interest on investments	16,719	3	-	-	16,722
Miscellaneous	89,982	9,964	-	-	99,946
Total local sources	8,570,548	9,967	-	330,209	8,910,724
State sources	2,753,999	-	-	-	2,753,999
Federal sources	-	215,142	-	-	215,142
Total revenues	11,324,547	225,109	-	330,209	11,879,865
Expenditures					
Current					
Instructional					
Regular instruction	3,270,291	68,579	-	-	3,338,870
Special education instruction	721,851	5,000	-	-	726,851
Other special instruction	155,572	9,842	-	-	165,414
Other instruction	31,140	500	-	-	31,640
Support service & undistributed costs					
Tuition	119,854	56,359	-	-	176,213
Student & instruction related services	1,146,295	74,137	-	-	1,220,432
General & business administrative services	419,717	-	-	-	419,717
School administrative services	78,866	-	-	-	78,866
Plant operations & maintenance	873,116	-	-	-	873,116
Pupil transportation	362,924	-	-	-	362,924
Unallocated benefits	3,261,638	-	-	-	3,261,638

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 123,635	\$ 9,800	\$ 1,072,871	\$ -	\$ 1,206,306
Debt service					
Principal	-	-	-	535,000	535,000
Interest & other charges	32,412	-	-	70,209	102,621
Total expenditures	<u>10,597,311</u>	<u>224,217</u>	<u>1,072,871</u>	<u>605,209</u>	<u>12,499,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>727,236</u>	<u>892</u>	<u>(1,072,871)</u>	<u>(275,000)</u>	<u>(619,743)</u>
Other financing sources (uses)					
Transfers	<u>(275,000)</u>	-	-	275,000	-
Total other financing sources (uses)	<u>(275,000)</u>	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>-</u>
Net change in fund balance	452,236	892	(1,072,871)	-	(619,743)
Fund balances, July 1 (as restated)	<u>5,388,609</u>	<u>28,657</u>	<u>1,735,402</u>	<u>-</u>	<u>7,152,668</u>
Fund balances, June 30	<u>\$ 5,840,845</u>	<u>\$ 29,549</u>	<u>\$ 662,531</u>	<u>\$ -</u>	<u>\$ 6,532,925</u>

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Total net changes in fund balances - governmental fund (from B-2) \$ (619,743)

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

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

Capital outlays	\$ 1,206,306	
Depreciation expense	<u>(531,741)</u>	674,565

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

Debt principal payments	535,000
-------------------------	---------

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

208,868

DELAWARE TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2021

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. \$ 15,585

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. (6,548)

Change in net position of governmental activities \$ 807,727

DELAWARE TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2021

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 883
Receivables from other governments	
State	649
Federal	13,359
Inventory	7,904
Total current assets	22,795
Noncurrent assets	
Capital assets	130,319
Less: accumulated depreciation	128,895
Total noncurrent assets	1,424
Total assets	24,219
Liabilities	
Current liabilities	
Due to other funds	3,000
Unearned revenues - commodities	3,566
Unearned revenues - prepaid sales	4,105
Total liabilities	10,671
Net position	
Net investment in capital assets	1,424
Unrestricted	12,124
Total net position	\$ 13,548

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 526
Total operating revenues	526
Operating expenses	
Cost of sales - reimbursable programs	33,811
Commodity food costs	5,439
COVID related cost	8,701
Salaries	19,494
Support services - employee benefits	2,714
Purchased professional/technical services	1,692
Purchased property services	2,401
Other purchased services	
Insurance	2,984
Management fee	8,339
Supplies and materials	3,379
Depreciation	150
Miscellaneous expenditures	1,712
Total operating expenses	90,816
Operating income (loss)	(90,290)
Non-operating revenues (expenses)	
State sources	
State school lunch program	2,974
Federal sources	
National school breakfast program	
Cash assistance	22,291
National school lunch program	
Cash assistance	66,298
Non cash assistance- commodities	5,439
Total non-operating revenues (expenses)	97,002
Change in net position	6,712
Net position, beginning	6,836
Net position, ending	\$ 13,548

See accompanying notes to financial statements.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 19
Payments to Food Service Management Company	(81,253)
Payments to vendors (net)	(5,588)
Net cash provided by (used for) operating activities	(86,822)
Cash flows from non-capital financing activities	
State sources	2,606
Federal sources	80,517
Net interfund transactions	3,000
Net cash provided by (used for) noncapital financing activities	86,123
Net increase (decrease) in cash and cash equivalents	(699)
Cash and cash equivalents, beginning	1,582
Cash and cash equivalents, ending	\$ 883
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (90,290)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	150
Federal food donation program	5,439
(Increase) decrease in inventory	(2,954)
Increase (decrease) in unearned revenue	833
Net cash provided by (used for) operating activities	\$ (86,822)

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2021 of 362 students.

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

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

During the year ended June 30, 2021, the District implemented the provisions detailed in GASB Statement No. 84, *Fiduciary Activities*. Based on a review of the financial records, the District has no funds that meet the criteria of a fiduciary fund.

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

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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

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

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

The District reports the following major governmental funds:

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

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Additionally, the District reports the following fund types:

Proprietary fund types

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

Equipment	12 Years
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Fiduciary fund types

As stated in Note 1 (B), the district does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No 84, *Fiduciary Activities*.

D. Budgets/budgetary control

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2020-2021 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

J. Capital assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

K. Compensated absences

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

Note 2 - Tax assessments and property taxes

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes (continued)

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

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

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

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

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 2021, the District had no investments.

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

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

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

As of June 30, 2021, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 500,000
Insured by GUDPA	6,108,129
Total bank balances	<u>\$ 6,608,129</u>

Deposits at June 30, 2021 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>\$ 6,366,207</u>
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 584,930
Enterprise funds, Statement of Net Position	B-4	883
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	<u>5,780,394</u>
Total cash and cash equivalents		<u>\$ 6,366,207</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets
Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction in progress	1,191,597	1,139,883	2,162,039	169,441
Total	<u>1,211,597</u>	<u>1,139,883</u>	<u>2,162,039</u>	<u>189,441</u>
Capital assets, being depreciated				
Land improvements	616,763	55,814	-	672,577
Building & improvements	15,832,895	2,162,039	-	17,994,934
Furniture & equipment	685,377	10,610	-	695,987
Vehicles	88,656	-	-	88,656
Total	<u>17,223,691</u>	<u>2,228,463</u>	<u>-</u>	<u>19,452,154</u>
Accumulated depreciation				
Land improvements	349,385	27,845	-	377,230
Building & improvements	8,446,453	463,461	-	8,909,914
Furniture & equipment	557,560	29,353	-	586,913
Vehicles	60,951	11,082	-	72,033
Total	<u>9,414,349</u>	<u>531,741</u>	<u>-</u>	<u>9,946,090</u>
Total capital assets being depreciated, net	<u>7,809,342</u>	<u>1,696,722</u>	<u>-</u>	<u>9,506,064</u>
Transfers	-	(2,162,039)	(2,162,039)	-
Governmental activities capital assets, net	<u>\$ 9,020,939</u>	<u>\$ 674,566</u>	<u>-</u>	<u>\$ 9,695,505</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 130,319	\$ -	\$ -	\$ 130,319
Less: accumulated depreciation	128,745	150	-	128,895
Business type activities capital assets, net	<u>\$ 1,574</u>	<u>\$ (150)</u>	<u>\$ -</u>	<u>\$ 1,424</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

Instruction			
Regular	\$	289,440	
Special education		63,009	
Other special instruction		14,339	
Other instruction		2,743	
Support services			
Student & instruction		105,797	
General & business administration		36,384	
School administration		6,837	
Plant maintenance		2,110	
Transportation		11,082	
Total depreciation expense, governmental activities	\$	531,741	

Note 5 - Long-term debt
 Long-term liability activity for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 3,355,000	\$ -	\$ 535,000	\$ 2,820,000	\$ 205,000
Compensated absences payable	109,209	6,548	-	115,757	-
PERS net pension liability	1,623,173	-	281,762	1,341,411	-
Total governmental activities long-term liabilities	\$ 5,087,382	\$ 6,548	\$ 816,762	4,277,168	\$ 205,000

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2021, including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 205,000	\$ 49,219	\$ 254,219
2023	165,000	46,656	211,656
2024	170,000	44,387	214,387
2025	180,000	41,837	221,837
2026	185,000	39,138	224,138
2027 - 2031	1,000,000	149,075	1,149,075
2032 - 2035	915,000	46,400	961,400
Total	\$ 2,820,000	\$ 416,712	\$ 3,236,712

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2021, with their outstanding balances are comprised of the following individual issues:

\$2,820,000 - 2020 general obligation bonds, due in annual installments of \$165,000 to \$240,000, beginning September 1, 2020, through March 1, 2035, interest at 1.25% to 2.00%.	\$ 2,820,000
Total	\$ 2,820,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2021 is \$26,032,369. General obligation debt at June 30, 2021 is \$2,820,000 resulting in a legal debt margin of \$23,212,369.

Note 6 - Pension plans
Description of systems

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

A. Public employees' retirement systems (PERS)

Plan description

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2020 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020 measurement date.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2021 was 14.72% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Collective net pension liability and actuarial information

The components of the District's allocable share of the net pension liability for PERS as of measurement date June 30, 2020:

Net pension liability	\$ 1,341,411
Proportionate share	0.0082257906%

Plan fiduciary net position as a percentage of the total pension liability 58.32%

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

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

Investment rate of return 7.00%

Preretirement mortality rates were based on the Pub-10 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2020 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's Proportionate Share of the Net Pension Liability

At current discount rate (7.00%)	\$ 1,341,411
At a 1% lower rate (6.00%)	1,701,883
At a 1% higher rate (8.00%)	1,055,033

Collective deferred outflows of resources and deferred inflows of resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 24,425	\$ 4,744
Changes of assumptions	43,517	561,662
Net difference between projected and actual earnings on pension plan investments	45,851	-
Changes in proportion and differences between District contributions and proportionate share of contributions	146,785	314,249
District contributions subsequent to the measurement date	89,986	-
Total	<u>\$ 350,564</u>	<u>\$ 880,655</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

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

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) of \$89,986 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2020 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 29,134	\$ (4,709)	\$ 24,425
Changes of assumptions	162,080	(118,563)	43,517
Differences between expected and actual experience	-	45,851	45,851
Deferred inflows of resources			
Differences between expected and actual experience	(7,170)	2,426	(4,744)
Changes of assumptions	(563,398)	1,736	(561,662)
Differences between projected and actual investment earnings on pension plan investments	(25,622)	25,622	-
Net of deferred outflows	<u>\$ (404,976)</u>	<u>\$ (47,637)</u>	<u>\$ (452,613)</u>

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

Fiscal Year Ending June 30,

2021	\$ (168,323)
2022	(153,459)
2023	(87,698)
2024	(35,464)
2025	(7,669)
Total	<u>\$ (452,613)</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Pension expense

For the fiscal year ended June 30, 2020, the District recognized net pension expense of (\$118,883), which represents the District's proportionate share of allocable plan pension expense of \$32,052, less other adjustments to the net pension liability of (\$2,361), less the net amortization of deferred amounts from changes in proportion of (\$148,574). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2020 measurement date are as follows:

Service cost	\$	63,369
Interest on total pension liability		206,477
Benefit changes		(1,415)
Member contributions		(45,043)
Administrative expense		1,078
Expected investment return net of investment expense		(121,550)
Pension expense related to specific liabilities of individual employers		(564)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		14,558
Changes of assumptions		(107,235)
Difference between projected and actual investment earnings on pension plan investments		22,377
Pension expense	\$	32,052

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

Plan description

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The State’s pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2020, the State’s pension contribution was less than the actuarial determined amount.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the state is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities’ total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ending June 30, 2020, the State of New Jersey contributed \$755,331 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2020 measurement date is as follows:

District’s proportionate share of net pension liability	\$	29,109,799
Less: State proportionate share of net pension liability		7,160,545
Net pension liability	\$	21,949,254

Plan fiduciary net position as a percentage of the total pension liability	24.60%
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DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Actuarial assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 measurement date are summarized in the following table:

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

Discount rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of the June 30, 2020 measurement date, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (5.40%)	\$ 21,949,254
At a 1% lower rate (4.40%)	25,781,970
At a 1% higher rate (6.40%)	18,766,827

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Pension expense

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2020 measurement date are as follows:

Service cost	\$	546,757
Interest on total pension liability		1,556,868
Benefit changes		(5,567)
Member contributions		(288,374)
Administrative expense		4,494
Expected investment return net of investment expense		(507,334)
Pension expense related to specific liabilities of individual employers		1,580
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		58,920
Changes of assumptions		(131,305)
Difference between projected and actual investment earnings on pension plan investments		128,859
Pension expense	\$	1,364,898

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2021) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2021 was \$16,944.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

D. Other pension plan information

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$319,506 to the TPAF for postretirement medical benefits, \$19,036 for non-contributory insurance premiums, \$450 for long term disability insurance, and \$1,000,497 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$278,573 during the fiscal year ended June 30, 2021 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State of New Jersey provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have decreased from fiscal year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State including Medicare Advantage contracts. The State has appropriated \$1.775 billion in fiscal year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in fiscal year 2019.

Total OPEB liability

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of the June 30, 2020 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 67,809,962,608
District's proportionate share of the State's OPEB liability	27,001,119
Employer OPEB expense and related revenue	1,022,545

Allocable proportionate percentage	0.0398188083%
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Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2019	\$ 17,013,234
Service cost	553,291
Interest cost	606,920
Change of benefit terms	-
Differences between expected and actual experiences	4,351,316
Changes of assumptions	4,932,177
Member contributions	14,248
Gross benefit payments	(470,067)
Total OPEB liability at June 30, 2020	<u>\$ 27,001,119</u>

There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% as of the June 30, 2019 plan measurement date to 2.21% as of the June 30, 2020 plan measurement date.

The total non-employer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate		2.50%
	TPAF	PERS
	(based on	(based on
	years of	years of
	service)	service)
Salary increases	1.55% - 4.45%	2.00% - 6.00%
Through 2026	1.55% - 4.45%	3.00% - 7.00%
Thereafter		

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total non-employer OPEB liability as of June 30, 2020 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (2.21%)	\$	27,001,119
At a 1% lower rate (1.21%)		32,551,243
At a 1% higher rate (3.21%)		22,661,457

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

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

Healthcare cost trend rate	\$	27,001,119
At a 1% lower rate (1% decrease)		21,796,214
At a 1% higher rate (1% increase)		33,199,004

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$1,022,545 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - Deferred compensation

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

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

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2021 is as follows:

	Receivable	Payable
General fund	\$ 111,577	\$ -
Special revenue fund	-	99,183
Capital projects fund	-	9,394
Cafeteria	-	3,000
	\$ 111,577	\$ 111,577

The balance due from the special revenue fund to the general fund of \$99,183 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance due from the capital projects fund to the general fund of \$9,394 represents expenditures processed in the general fund that are expenditures of the capital projects fund. The balance due from the cafeteria fund to the general fund of \$3,000 represents a loan as a result of cash flow issues relating to the delayed receipt of amounts due from the federal and state governments for subsidies on eligible meals.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2021 consisted of the following:

Food	\$ 5,557
Supplies	2,347
Total	\$ 7,904

Note 11 - Contingent liabilities

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management

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

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

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New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance available for claims of the District’s unemployment compensation insurance fund:

Fiscal Year	Other	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2020 - 2021	\$ 513	\$ 249	\$ 8,550	\$ -	\$ 105,216
2019 - 2020	-	505	7,848	11,490	95,904
2018 - 2019	-	816	8,013	6,745	99,041

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts

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

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$50,000 to their maintenance reserve and \$518,046 to capital reserve accounts by Board Resolution in June 2021 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 3,947,473	\$ 518,046	\$ 9,723	\$ 1,084,519	\$ 1,362,000	\$ 4,197,761
Emergency	175,516	-	440	-	-	175,956
Maintenance	599,988	50,000	-	-	50,000	599,988
Total	<u>\$ 4,722,977</u>	<u>\$ 568,046</u>	<u>\$ 10,163</u>	<u>\$ 1,084,519</u>	<u>\$ 1,412,000</u>	<u>\$ 4,973,705</u>

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance - general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2021 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 148,719
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets.	150,000
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	4,197,761
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	175,956
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	599,988
Unemployment - Represents funds accumulated for future unemployment claims.	96,666

Assigned

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	114,843
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	455,536
Total fund balance - Budgetary basis (Exhibit C-1)	5,939,469
Last state aid payments not recognized on GAAP basis	(98,624)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 5,840,845

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$150,000.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Operating leases

At June 30, 2021, the District had operating lease agreements in effect for copy machines and information technology supplies. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2022		\$ 5,629
2023		47,471
2024		47,141
Total		\$ 100,241

Note 17 - Restatement of prior year net position

During the fiscal year ended June 30, 2021, the District restated net position for governmental activities as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	<u>Governmental Activities</u>
Net position, June 30, 2020	\$ 10,472,477
Additions	
Reserved fund balance - scholarship fund	881
Reserved fund balance - student activity fund	27,776
Reserved fund balance - unemployment fund	95,904
Net position, June 30, 2020, as restated	\$ 10,597,038

Note 18 - Restatement of prior year fund balance

During the fiscal year ended June 30, 2021, the District restated fund balance for the general fund and special revenue fund as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Net position, June 30, 2020	\$ 5,292,705	\$ -
Additions		
Reserved fund balance - scholarship fund	-	881
Reserved fund balance - student activity fund	-	27,776
Reserved fund balance - unemployment fund	95,904	-
Fund balance, June 30, 2020 as restated	\$ 5,388,609	\$ 28,657

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

- Note 19 - Recent accounting pronouncements not yet effective
The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.
- In June 2017, GASB issued Statement No. 87, *Leases*. This statement is effective for reporting periods beginning after June 15, 2021 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.
- Note 20 - Deficit balance in unrestricted net position
The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2021 of (\$1,233,191) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.
- Note 21 - Risks and uncertainties
On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The "COVID-19 outbreak") and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.
- The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations.
- Note 22 - Subsequent events
The District has evaluated subsequent events through March 14, 2022, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 8,419,709	\$ -	\$ 8,419,709	\$ 8,419,709	\$ -
Tuition from individuals	175,000	-	175,000	44,138	(130,862)
Unrestricted miscellaneous revenues	5,000	-	5,000	94,284	89,284
Interest earned on current expense emergency reserve	750	-	750	440	(310)
Interest earned on maintenance reserve	1,500	-	1,500	1,492	(8)
Interest earned on capital reserve funds	10,000	-	10,000	9,723	(277)
Other restricted miscellaneous revenues	-	-	-	762	762
Total	<u>8,611,959</u>	<u>-</u>	<u>8,611,959</u>	<u>8,570,548</u>	<u>(41,411)</u>
State sources					
School choice aid	294,789	-	294,789	294,789	-
Categorical transportation aid	167,383	-	167,383	167,383	-
Extraordinary aid	25,000	-	25,000	109,064	84,064
Categorical special education aid	267,084	-	267,084	267,084	-
Categorical security aid	34,010	-	34,010	34,010	-
Adjustment aid	255,386	-	255,386	255,386	-
Other state aid	-	-	-	3,480	3,480
TPAF Pension (on-behalf)	-	-	-	1,019,533	1,019,533
TPAF Social Security (reimbursed)	-	-	-	278,573	278,573
TPAF Postretirement benefits	-	-	-	319,506	319,506
TPAF Long-term disability insurance	-	-	-	450	450
Total	<u>1,043,652</u>	<u>-</u>	<u>1,043,652</u>	<u>2,749,258</u>	<u>1,705,606</u>
Total revenues	<u>\$ 9,655,611</u>	<u>\$ -</u>	<u>\$ 9,655,611</u>	<u>\$ 11,319,806</u>	<u>\$ 1,664,195</u>
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Preschool	\$ 185,442	\$ (15,665)	\$ 169,777	\$ 166,593	\$ 3,184
Kindergarten	167,802	62,513	230,315	227,728	2,587
Grades 1-5	1,553,170	74,637	1,627,807	1,625,284	2,523
Grades 6-8	849,183	5,869	855,052	851,269	3,783
Home instruction					
Salaries of teacher	2,500	(2,500)	-	-	-
Purchased professional - educational services	13,000	(13,000)	-	-	-
Other purchased services	10,000	(6,635)	3,365	-	3,365
Regular programs - undistributed instruction					
Purchased professional - educational services	22,279	(22,279)	-	-	-
Purchased technical services	1,500	(1,500)	-	-	-
Other purchased services	1,500	(900)	600	600	-
General supplies	370,137	43,780	413,917	390,269	23,648
Textbooks	5,500	31,521	37,021	7,693	29,328
Other objects	6,130	(3,629)	2,501	855	1,646
Total	<u>3,188,143</u>	<u>152,212</u>	<u>3,340,355</u>	<u>3,270,291</u>	<u>70,064</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Multiple disabilities					
Salaries of teachers	\$ 70,540	\$ (5,769)	\$ 64,771	\$ 61,943	\$ 2,828
Other salaries for instruction	-	5,354	5,354	5,354	-
General supplies	2,500	(2,500)	-	-	-
Total	<u>73,040</u>	<u>(2,915)</u>	<u>70,125</u>	<u>67,297</u>	<u>2,828</u>
Resource room/resource center					
Salaries of teachers	454,852	14,093	468,945	468,944	1
Other salaries for instruction	158,427	19,064	177,491	177,052	439
General supplies	6,000	(3,835)	2,165	2,096	69
Other objects	5,000	(5,000)	-	-	-
Total	<u>624,279</u>	<u>24,322</u>	<u>648,601</u>	<u>648,092</u>	<u>509</u>
Home instruction					
Salaries of teachers	5,000	1,462	6,462	6,462	-
Purchased professional - educational services	1,500	(1,500)	-	-	-
Total	<u>6,500</u>	<u>(38)</u>	<u>6,462</u>	<u>6,462</u>	<u>-</u>
Total special education	<u>703,819</u>	<u>21,369</u>	<u>725,188</u>	<u>721,851</u>	<u>3,337</u>
Basic skills/remedial					
Salaries of teachers	150,435	3,374	153,809	152,469	1,340
General supplies	5,000	(1,897)	3,103	3,103	-
Total	<u>155,435</u>	<u>1,477</u>	<u>156,912</u>	<u>155,572</u>	<u>1,340</u>
Bilingual education - instruction					
General supplies	250	(250)	-	-	-
Total	<u>250</u>	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	64,000	(2,415)	61,585	7,961	53,624
Purchased services	3,000	-	3,000	100	2,900
Supplies and materials	5,000	-	5,000	1,267	3,733
Other objects	1,000	-	1,000	-	1,000
Total	<u>73,000</u>	<u>(2,415)</u>	<u>70,585</u>	<u>9,328</u>	<u>61,257</u>
School-sponsored athletics - instruction					
Salaries	53,500	(2,695)	50,805	11,725	39,080
Purchased services	6,000	(655)	5,345	943	4,402
Supplies and materials	10,000	-	10,000	8,489	1,511
Other objects	-	655	655	655	-
Total	<u>69,500</u>	<u>(2,695)</u>	<u>66,805</u>	<u>21,812</u>	<u>44,993</u>
Total instruction regular	<u>\$ 4,190,147</u>	<u>\$ 169,698</u>	<u>\$ 4,359,845</u>	<u>\$ 4,178,854</u>	<u>\$ 180,991</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	\$ -	\$ 988	\$ 988	\$ -	\$ 988
Tuition to priv. school for the disabled w/i state	428,338	(40,587)	387,751	119,854	267,897
Total	<u>428,338</u>	<u>(39,599)</u>	<u>388,739</u>	<u>119,854</u>	<u>268,885</u>
Undistributed expenditures - health services					
Salaries	65,467	5,096	70,563	70,563	-
Purchased professional and technical services	6,550	(1,846)	4,704	2,000	2,704
Supplies and materials	6,876	-	6,876	6,734	142
Total	<u>78,893</u>	<u>3,250</u>	<u>82,143</u>	<u>79,297</u>	<u>2,846</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	75,468	(7,948)	67,520	67,420	100
Purchased professional - educational services	76,300	81,503	157,803	152,055	5,748
Supplies and materials	4,200	-	4,200	1,574	2,626
Other objects	250	-	250	-	250
Total	<u>156,218</u>	<u>73,555</u>	<u>229,773</u>	<u>221,049</u>	<u>8,724</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	28,502	(28,502)	-	-	-
Total	<u>28,502</u>	<u>(28,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undistributed expenditures - guidance					
Salaries of other professional staff	72,176	76,646	148,822	148,817	5
Purchased professional - educational services	5,000	(5,000)	-	-	-
Supplies and materials	1,090	3,625	4,715	4,707	8
Other objects	60	-	60	-	60
Total	<u>78,326</u>	<u>75,271</u>	<u>153,597</u>	<u>153,524</u>	<u>73</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	288,486	(87,813)	200,673	179,051	21,622
Salaries of secretarial and clerical assistants	47,297	200	47,497	47,472	25
Purchased professional - educational services	15,000	11,822	26,822	26,822	-
Other purchased professional & technical services	15,000	17,088	32,088	30,088	2,000
Supplies and materials	8,000	-	8,000	4,684	3,316
Other objects	1,170	(275)	895	340	555
Total	<u>374,953</u>	<u>(58,978)</u>	<u>315,975</u>	<u>288,457</u>	<u>27,518</u>
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	94,490	200	94,690	94,490	200
Salaries of other professional staff	1,950	3,361	5,311	5,311	-
Salaries of secretarial & clerical assist	28,521	-	28,521	28,520	1
Purchased professional - educational services	6,700	(4,309)	2,391	-	2,391
Other purchased services	580	-	580	-	580
Supplies and materials	1,850	1,132	2,982	2,825	157
Other objects	2,550	(385)	2,165	2,165	-
Total	<u>136,641</u>	<u>(1)</u>	<u>136,640</u>	<u>133,311</u>	<u>3,329</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 104,704	\$ 7,567	\$ 112,271	\$ 109,184	\$ 3,087
Purchased professional and technical services	55,780	16,210	71,990	26,199	45,791
Other purchased services	100,000	(68,277)	31,723	29,679	2,044
Supplies and materials	114,146	(1,340)	112,806	100,569	12,237
Other objects	250	650	900	897	3
Total	374,880	(45,190)	329,690	266,528	63,162
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	6,000	(1,000)	5,000	-	5,000
Other purchased services	3,500	1,000	4,500	3,872	628
Supplies and materials	500	-	500	257	243
Total	10,000	-	10,000	4,129	5,871
Undistributed expenditures - support service - general admin.					
Salaries	162,217	11,623	173,840	151,166	22,674
Legal services	25,000	(9,588)	15,412	15,412	-
Audit fees	18,000	450	18,450	18,450	-
Other purchased professional services	22,500	2,119	24,619	14,971	9,648
Purchased technical services	10,100	(10,100)	-	-	-
Communications/telephone	26,872	13,186	40,058	40,058	-
BOE other purchased services	6,500	(1,498)	5,002	4,500	502
Miscellaneous purchased services	23,500	(10,192)	13,308	7,495	5,813
General supplies	1,000	-	1,000	145	855
Miscellaneous expenditures	2,750	-	2,750	2,170	580
BOE membership dues and fees	5,000	4,000	9,000	4,477	4,523
Total	303,439	-	303,439	258,844	44,595
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	47,245	-	47,245	47,245	-
Salaries of secretarial and clerical assistants	30,759	9	30,768	30,461	307
Other purchased services	170	(35)	135	-	135
Supplies and materials	1,125	35	1,160	1,160	-
Other objects	8,000	(9)	7,991	-	7,991
Total	87,299	-	87,299	78,866	8,433
Undistributed expenditures - central services					
Salaries	152,021	377	152,398	152,398	-
Purchased professional services	12,185	5,664	17,849	6,449	11,400
Miscellaneous purchased services	17,000	(5,099)	11,901	115	11,786
Supplies and materials	3,700	(65)	3,635	1,911	1,724
Other objects	20,500	(877)	19,623	-	19,623
Total	205,406	-	205,406	160,873	44,533
Undistributed expenditures - required maint. for school facilities					
Salaries	91,564	(6,510)	85,054	83,063	1,991
Cleaning, repair, and maintenance services	160,000	49,702	209,702	158,926	50,776
General supplies	22,125	30,000	52,125	50,483	1,642
Other objects	550	325	875	873	2
Total	274,239	73,517	347,756	293,345	54,411

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 197,367	\$ 25,462	\$ 222,829	\$ 220,672	\$ 2,157
Salaries of non-instructional aides	10,212	2,750	12,962	12,916	46
Purchased professional and technical services	3,400	(3,400)	-	-	-
Cleaning, repair, and maintenance service	12,000	-	12,000	11,089	911
Other purchased property services	36,000	370	36,370	36,370	-
Insurance	68,000	6,283	74,283	74,283	-
General supplies	42,086	52,964	95,050	82,327	12,723
Energy (electricity)	115,000	(83,493)	31,507	31,497	10
Energy (oil)	63,000	(12,253)	50,747	50,747	-
Energy (gasoline)	750	937	1,687	1,687	-
Other objects	2,500	(1,250)	1,250	1,250	-
Total	550,315	(11,630)	538,685	522,838	15,847
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	8,500	(8,500)	-	-	-
General supplies	750	-	750	726	24
Total	9,250	(8,500)	750	726	24
Undistributed expenditures - security					
Salaries	84,026	(41,200)	42,826	42,826	-
Purchased professional and technical services	-	14,205	14,205	11,978	2,227
Cleaning, repair, and maintenance service	4,000	(2,597)	1,403	1,403	-
General supplies	350	1,775	2,125	-	2,125
Total	88,376	(27,817)	60,559	56,207	4,352
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	-	23,288	23,288	23,287	1
Salaries for pupil trans. (between home & school) - sp. ed.	51,724	(23,288)	28,436	17,738	10,698
Management fee - esc & ctsa trans. program	3,500	-	3,500	640	2,860
Cleaning, repair, & maint. services	2,500	-	2,500	994	1,506
Contract serv-aid in lieu pymts - non-public schools	20,000	(1,775)	18,225	9,007	9,218
Contract serv-aid in lieu pymts-choice school students	10,000	-	10,000	477	9,523
Contract serv (oth. than between home & school) - vend.	50,000	(30,000)	20,000	2,892	17,108
Contract serv (between home & school) - joint agreements	280,000	-	280,000	272,435	7,565
Contract serv (sp. ed. Stds.) - vendors	30,000	-	30,000	22,663	7,337
Contract serv (sp. ed. Stds.) - escs & ctsas	80,000	(17,791)	62,209	12,411	49,798
Miscellaneous purchased services - transportation	300	-	300	-	300
General supplies	150	-	150	-	150
Transportation supplies	2,500	-	2,500	-	2,500
Other objects	800	-	800	380	420
Total	531,474	(49,566)	481,908	362,924	118,984

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Unallocated benefits - employee benefits					
Social Security contributions	\$ 95,000	\$ 11,566	\$ 106,566	\$ 106,566	\$ -
Other retirement contributions - PERS	90,000	-	90,000	89,986	14
Other retirement contributions - regular	7,500	5,051	12,551	12,551	-
Workmen's compensation	79,500	516	80,016	80,016	-
Health benefits	1,620,000	(221,011)	1,398,989	1,258,575	140,414
Tuition reimbursement	46,488	-	46,488	31,372	15,116
Other employee benefits	39,356	17,446	56,802	55,912	890
Unused sick payment to terminated/retired staff	20,000	-	20,000	8,598	11,402
Total	<u>1,997,844</u>	<u>(186,432)</u>	<u>1,811,412</u>	<u>1,643,576</u>	<u>167,836</u>
On-behalf TPAF Pension contribution	-	-	-	1,019,533	(1,019,533)
On-behalf TPAF Postretirement medical benefits	-	-	-	319,506	(319,506)
On-behalf TPAF Long-term disability insurance	-	-	-	450	(450)
Reimbursed TPAF Social Security contribution	-	-	-	278,573	(278,573)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,618,062</u>	<u>(1,618,062)</u>
Total undistributed expenditures	<u>\$ 5,714,393</u>	<u>\$ (230,622)</u>	<u>\$ 5,483,771</u>	<u>\$ 6,262,410</u>	<u>\$ (778,639)</u>
Total current	<u>\$ 9,904,540</u>	<u>\$ (60,924)</u>	<u>\$ 9,843,616</u>	<u>\$ 10,441,264</u>	<u>\$ (597,648)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 6,545	\$ 6,545	\$ 2,695	\$ 3,850
Undistributed expenditures - school admin.	-	2,415	2,415	2,415	-
Undistributed expenditures - custodial services	10,000	(3,850)	6,150	5,500	650
Total equipment	<u>10,000</u>	<u>5,110</u>	<u>15,110</u>	<u>10,610</u>	<u>4,500</u>
Facilities acquisition and construction service					
Architectural/engineering services	108,700	-	108,700	-	108,700
Construction services	999,082	-	999,082	57,211	941,871
Land and improvements	-	55,814	55,814	55,814	-
Assessment for debt service on SDA funding	32,412	-	32,412	32,412	-
Total facilities acquisition and construction service	<u>1,140,194</u>	<u>55,814</u>	<u>1,196,008</u>	<u>145,437</u>	<u>1,050,571</u>
Total capital outlay	<u>\$ 1,150,194</u>	<u>\$ 60,924</u>	<u>\$ 1,211,118</u>	<u>\$ 156,047</u>	<u>\$ 1,055,071</u>
Total expenditures	<u>\$ 11,054,734</u>	<u>\$ -</u>	<u>\$ 11,054,734</u>	<u>\$ 10,597,311</u>	<u>\$ 457,423</u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ (1,399,123)	\$ -	\$ (1,399,123)	\$ 722,495	\$ 2,121,618
Other financing sources (uses)					
Capital reserve - transfer to debt service	(275,000)	-	(275,000)	(275,000)	-
Total other financing sources (uses)	(275,000)	-	(275,000)	(275,000)	-
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(1,674,123)	-	(1,674,123)	447,495	2,121,618
Fund balances, July 1 (Restated)	5,491,974	-	5,491,974	5,491,974	-
Fund balances, June 30	<u>\$ 3,817,851</u>	<u>\$ -</u>	<u>\$ 3,817,851</u>	<u>\$ 5,939,469</u>	<u>\$ 2,121,618</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (151,477)	\$ -	\$ (151,477)	\$ (151,477)	\$ -
Increase in capital reserve	-	518,046	518,046	518,046	-
Interest deposit to capital reserve	10,000	-	10,000	9,723	(277)
Withdrawal from capital reserve	(1,087,000)	-	(1,087,000)	(2,481)	1,084,519
Interest earned on emergency reserve	750	-	750	440	(310)
Increase in maintenance reserve	-	50,000	50,000	50,000	-
Interest earned on maintenance reserve	1,500	-	1,500	1,492	(8)
Withdrawal from maintenance reserve	(50,000)	-	(50,000)	(50,000)	-
Increase in unemployment compensation	-	-	-	513	513
Interest earned on unemployment compensation	-	-	-	249	249
Withdraw from capital reserve - transfer to debt service fund	(275,000)	-	(275,000)	(275,000)	-
Budgeted fund balance	(122,896)	(568,046)	(690,942)	345,990	1,036,932
Total	<u>\$ (1,674,123)</u>	<u>\$ -</u>	<u>\$ (1,674,123)</u>	<u>\$ 447,495</u>	<u>\$ 2,121,618</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 148,719	
Excess surplus - current year				150,000	
Capital reserve				4,197,761	
Emergency reserve				175,956	
Maintenance reserve				599,988	
Unemployment compensation				96,666	
Committed fund balance					
Year-end encumbrances				114,843	
Unassigned fund balance				<u>455,536</u>	
Fund balance per budgetary basis				5,939,469	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(98,624)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 5,840,845</u>	

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 8,934	\$ 4,591	\$ 13,525	\$ 9,967	\$ (3,558)
Federal sources	209,390	-	209,390	204,662	(4,728)
Total revenues	\$ 218,324	\$ 4,591	\$ 222,915	\$ 214,629	\$ (8,286)
Expenditures					
Instruction					
Other salaries - aides	\$ 500	\$ -	\$ 500	\$ 500	\$ -
Purchased professional and technical services	4,000	(4,000)	-	-	-
Other purchased services	4,728	-	4,728	-	4,728
Supplies	78,799	(5,800)	72,999	72,941	58
Total	88,027	(9,800)	78,227	73,441	4,786
Support services					
Tuition	56,359	-	56,359	56,359	-
Purchased professional and technical services	45,115	-	45,115	45,115	-
Other purchased services	1,500	-	1,500	1,500	-
Supplies	26,823	-	26,823	23,323	3,500
Other objects	500	-	500	500	-
Student activities	-	3,699	3,699	3,699	-
Total	130,297	3,699	133,996	130,496	3,500
Capital outlay					
Instructional equipment	-	9,800	9,800	9,800	-
Total expenditures	\$ 218,324	\$ 3,699	\$ 222,023	\$ 213,737	\$ 8,286
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 892	\$ 892	\$ 892	\$ -
Fund balances, July 1 (as restated)	28,657	-	28,657	28,657	-
Fund balances, June 30	\$ 28,657	\$ 892	\$ 29,549	\$ 29,549	\$ -
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 28,665	
Scholarships				884	
Fund balance per budgetary basis				\$ 29,549	

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2021

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 11,319,806	\$ 214,629
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Outstanding encumbrances - prior year	-	19,124
Outstanding encumbrances - current year	-	(8,644)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	103,365	-
State aid receivable current year	(98,624)	-
Total revenues (GAAP basis)	<u>\$ 11,324,547</u>	<u>\$ 225,109</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,597,311	\$ 213,737
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Outstanding encumbrances - prior year	-	19,124
Outstanding encumbrances - current year	-	(8,644)
Total expenditures (GAAP basis)	<u>\$ 10,597,311</u>	<u>\$ 224,217</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.0082257906%	0.0090083798%	0.0088460900%	0.0076679103%	0.9907520800%	0.0114863728%	0.0121027105%	0.0123869317%	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,341,411	\$ 1,623,173	\$ 1,741,751	\$ 1,784,967	\$ 2,934,323	\$ 2,669,455	\$ 2,367,389	\$ 2,265,958	N/A
District's covered employee payroll	611,504	590,469	616,230	631,819	549,574	N/A	996,564	1,087,006	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	227.18%	263.40%	275.67%	324.79%	N/A	267.87%	217.79%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A

N/A - Not Available

See independent auditors' report.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 89,986	\$ 87,625	\$ 87,990	\$ 71,035	\$ 89,748	\$ 102,237	\$ 99,773	\$ 93,934	\$ 95,919	\$ 96,087
Contributions in relation to the contractually required contribution	(89,986)	(87,625)	(87,990)	(71,035)	(89,748)	(102,237)	(99,773)	(93,934)	(95,919)	(96,087)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 611,504	\$ 590,469	\$ 616,230	\$ 631,819	\$ 549,574	N/A	\$ 996,564	\$ 1,087,006	N/A	N/A
Contributions as a percentage of covered employee payroll	14.72%	14.84%	14.28%	11.24%	16.33%	N/A	10.01%	8.64%	N/A	N/A

N/A - Not Available

See independent auditors' report.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	21,949,254	20,296,192	21,965,861	24,632,861	29,440,467	23,838,298	20,866,554	20,218,196	N/A
Total	\$ -	\$ 21,949,254	\$ 20,296,192	\$ 21,965,861	\$ 24,632,861	\$ 29,440,467	\$ 23,838,298	\$ 20,866,554	20,218,196	\$ -
District's covered employee payroll	\$ 4,018,408	\$ 3,873,942	\$ 3,643,352	\$ 3,527,750	\$ 3,443,374	N/A	\$ 3,859,796	\$ 3,808,662	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A

N/A - Not Available

See independent auditors' report.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 775,331	\$ 664,946	\$ 664,048	\$ 520,812	\$ 410,941	\$ 656,417	\$ 527,611	\$ 435,966	\$ 550,788	\$ 376,011
Contributions in relation to the contractually required contribution	(775,331)	(664,946)	(664,048)	(520,812)	(410,941)	(656,417)	(527,611)	(435,966)	(550,788)	(376,011)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 4,018,408	\$ 3,873,942	\$ 3,643,352	\$ 3,527,750	3,443,374	N/A	\$ 3,859,796	\$ 3,808,662	N/A	N/A
Contributions as a percentage of covered employee payroll	19.29%	17.16%	18.23%	14.76%	11.93%	N/A	13.67%	11.45%	N/A	N/A

N/A - Not Available

See independent auditors' report.

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	27,001,119	17,013,234	18,665,700	22,493,672	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 27,001,119	\$ 17,013,234	\$ 18,665,700	\$ 22,493,672	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 4,464,411	\$ 4,259,582	\$ 4,159,569	\$ 3,992,948	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2021

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 5.60% in State fiscal year 2019 and 5.40% in State fiscal year 2020. The inflation rate was 2.75% in State fiscal year 2019 and 2.75% in State fiscal year 2020.
- Note 3 - Changes in assumptions - PERS
The discount rate was 6.28% in State fiscal year 2019 and 7.00% in State fiscal year 2020. The inflation rate was 2.75% for State fiscal year 2019 and 2.75% for State fiscal year 2020.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 3.50% in State fiscal year 2019 to 2.21% in State fiscal year 2020. The inflation rate was 2.50% for State fiscal year 2019 and 2020.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

SPECIAL REVENUE FUND

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	ESSA Title IA	ESSA Title IV	IDEA Basic	IDEA Preschool	REAP	CARES Emergency Relief	Coronavirus Relief Fund	NJ Digital Divide	Local Grants	Scholarships	Student Activity Fund	Total
Revenues												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,376	\$ 3	\$ 4,588	\$ 9,967
Federal sources	15,783	10,000	92,359	6,248	38,595	12,621	13,711	15,345	-	-	-	204,662
Total revenues	\$ 15,783	\$ 10,000	\$ 92,359	\$ 6,248	\$ 38,595	\$ 12,621	\$ 13,711	\$ 15,345	\$ 5,376	\$ 3	\$ 4,588	\$ 214,629
Expenditures												
Instruction												
Other salaries - aides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 500
Supplies	15,783	10,000	4,500	500	19,428	3,009	-	15,345	4,376	-	-	72,941
Total	15,783	10,000	4,500	500	19,428	3,009	-	15,345	4,876	-	-	73,441
Support services												
Tuition	-	-	56,359	-	-	-	-	-	-	-	-	56,359
Purchased professional and technical services	-	-	30,000	5,748	9,367	-	-	-	-	-	-	45,115
Other purchased services	-	-	1,500	-	-	-	-	-	-	-	-	1,500
Supplies	-	-	-	-	-	9,612	13,711	-	-	-	-	23,323
Other objects	-	-	-	-	-	-	-	-	500	-	-	500
Student activities	-	-	-	-	-	-	-	-	-	-	3,699	3,699
Total	-	-	87,859	5,748	9,367	9,612	13,711	-	500	-	3,699	130,496

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2021

	ESSA Title IA	ESSA Title IV	IDEA Basic	IDEA Preschool	REAP	CARES Emergency Relief	Coronavirus Relief Fund	NJ Digital Divide	Local Grants	Scholarships	Student Activity Fund	Total
Capital outlay												
Instructional equipment	\$ -	\$ -	\$ -	\$ -	\$ 9,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,800
Total expenditures	<u>\$ 15,783</u>	<u>\$ 10,000</u>	<u>\$ 92,359</u>	<u>\$ 6,248</u>	<u>\$ 38,595</u>	<u>\$ 12,621</u>	<u>\$ 13,711</u>	<u>\$ 15,345</u>	<u>\$ 5,376</u>	<u>\$ -</u>	<u>\$ 3,699</u>	<u>\$ 213,737</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 889	\$ 892
Fund balances, July 1 (as restated)	-	-	-	-	-	-	-	-	-	881	27,776	28,657
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 884</u>	<u>\$ 28,665</u>	<u>\$ 29,549</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2021

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/21
			Prior Years	Current Year	
Improvement to district facilities	12/10/2019	\$ 2,820,000	\$ 1,084,598	\$ 1,072,871	\$ 662,531

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2021

Expenditures	
Professional services	\$ 51,605
Construction services	1,021,266
Total expenditures	<u>1,072,871</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,072,871)
Fund balance - beginning of year	<u>1,735,402</u>
Fund balance - ending of year	<u><u>\$ 662,531</u></u>

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status -
Budgetary Basis
Improvement to District Facilities
For the Fiscal Year Ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - proceeds from bond issuance	\$ 2,820,000	\$ -	\$ 2,820,000	\$ 2,820,000
Total revenues	<u>2,820,000</u>	<u>-</u>	<u>2,820,000</u>	<u>2,820,000</u>
Expenditures and other financing uses				
Other purchased professional services	119,659	51,605	171,264	420,000
Construction services	964,939	1,021,266	1,986,205	2,400,000
Total expenditures	<u>1,084,598</u>	<u>1,072,871</u>	<u>2,157,469</u>	<u>2,820,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,735,402</u>	<u>\$ (1,072,871)</u>	<u>\$ 662,531</u>	<u>\$ -</u>

Additional Project Information

Project number	1040-040-20-1000
Bonds authorization date	12/10/2019
Bonds authorized	\$ 2,820,000
Bonds issued	-
Original authorized cost	2,820,000
Increase in authorized cost	-
Revised authorized cost	2,820,000
Percentage completion	76.51%

See independent auditors' report.

PROPRIETARY FUND

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

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

FIDUCIARY FUNDS

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

(NOT APPLICABLE TO THIS REPORT)

LONG-TERM DEBT SCHEDULES

The Long-term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2021

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 330,209	\$ -	\$ 330,209	\$ 330,209	\$ -
Total revenues	<u>330,209</u>	<u>-</u>	<u>330,209</u>	<u>330,209</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	535,000	-	535,000	535,000	-
Interest	70,209	-	70,209	70,209	-
Total expenditures	<u>605,209</u>	<u>-</u>	<u>605,209</u>	<u>605,209</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(275,000)	-	(275,000)	(275,000)	-
Other financing sources (uses)					
Trasnfers from capital reserve	275,000	-	275,000	275,000	-
Total other financing sources (uses)	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

DELAWARE TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

Contents	Page
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government activities										
Net investment in capital assets	\$ 5,771,417	\$ 5,583,276	\$ 5,496,804	\$ 5,483,699	\$ 6,147,946	\$ 6,373,507	\$ 6,452,186	\$ 6,579,574	\$ 5,665,939	\$ 6,875,505
Restricted	1,567,616	1,765,666	1,660,770	2,663,077	2,072,080	2,843,299	3,786,910	4,611,088	6,582,940	5,762,451
Unrestricted	(27,552)	144,749	963,253	(2,303,030)	(2,021,402)	(2,276,137)	(2,140,496)	(1,949,146)	(1,651,841)	(1,233,191)
Total governmental activities	\$ 7,311,481	\$ 7,493,691	\$ 8,120,827	\$ 5,843,746	\$ 6,198,624	\$ 6,940,669	\$ 8,098,600	\$ 9,241,516	\$ 10,597,038	\$ 11,404,765
Business-type activities										
Net investment in capital assets	\$ 34,305	\$ 25,888	\$ 17,471	\$ 9,054	\$ 637	\$ -	\$ -	\$ 1,724	\$ 1,574	\$ 1,424
Unrestricted	20,523	23,132	44,678	33,030	21,063	10,628	12,958	16,569	5,262	12,124
Total business-type activities	\$ 54,828	\$ 49,020	\$ 62,149	\$ 42,084	\$ 21,700	\$ 10,628	\$ 12,958	\$ 18,293	\$ 6,836	\$ 13,548
District-wide										
Net investment in capital assets	\$ 5,805,722	\$ 5,609,164	\$ 5,514,275	\$ 5,492,753	\$ 6,148,583	\$ 6,373,507	\$ 6,452,186	\$ 6,581,298	\$ 5,667,513	\$ 6,876,929
Restricted	1,567,616	1,765,666	1,660,770	2,663,077	2,072,080	2,843,299	3,786,910	4,611,088	6,582,940	5,762,451
Unrestricted	(7,029)	167,881	1,007,931	(2,270,000)	(2,000,339)	(2,265,509)	(2,127,538)	(1,932,577)	(1,646,579)	(1,221,067)
Total district-wide	\$ 7,366,309	\$ 7,542,711	\$ 8,182,976	\$ 5,885,830	\$ 6,220,324	\$ 6,951,297	\$ 8,111,558	\$ 9,259,809	\$ 10,603,874	\$ 11,418,313

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,797,348	\$ 3,737,507	\$ 3,610,264	\$ 3,873,541	\$ 4,109,371	\$ 5,939,544	\$ 6,395,199	\$ 5,881,420	\$ 5,469,777	\$ 6,991,361
Special education	1,084,197	1,324,589	1,255,885	1,315,217	1,369,853	1,417,839	1,371,681	1,441,043	1,246,372	1,524,652
Other special education	266,080	292,872	271,614	235,204	261,282	307,397	348,340	327,470	316,394	370,777
Other instruction	109,623	118,437	117,193	102,928	137,040	101,586	255,588	225,932	270,191	103,172
Support services										
Tuition	104,569	63,464	217,694	150,925	193,850	270,350	239,899	233,092	240,978	176,213
Student & instruction related services	1,283,246	1,242,360	1,425,450	1,749,006	1,503,586	1,492,196	1,630,322	1,584,472	1,728,052	1,880,309
General & business administrative services	646,129	603,686	726,632	865,452	705,619	959,197	928,664	902,091	703,742	729,128
School administration	262,937	275,631	56,447	-	62,135	130,321	141,030	133,910	129,154	146,004
Plant operations & maintenance	845,003	916,089	1,023,246	914,316	950,577	735,182	835,701	832,754	952,823	1,044,869
Pupil transportation	406,583	388,412	489,737	435,242	410,373	407,802	394,856	425,869	443,576	406,060
Capital outlay	295,889	275,747	679,898	(57,232)	214,237	-	-	-	-	-
Interest on long-term debt	157,784	143,741	130,825	121,617	113,329	124,552	133,232	84,828	87,045	87,036
Unallocated depreciation	26,549	26,549	26,549	26,549	26,549	-	-	-	-	-
Total governmental activities expenses	9,285,937	9,409,084	10,031,434	9,732,765	10,057,801	11,885,966	12,674,512	12,072,881	11,588,104	13,459,581
Business-type activities										
Food services	153,065	109,464	92,303	113,979	101,005	112,976	109,601	106,325	100,954	90,816
Total business-type activities	153,065	109,464	92,303	113,979	101,005	112,976	109,601	106,325	100,954	90,816
Total district expenses	\$ 9,439,002	\$ 9,518,548	\$ 10,123,737	\$ 9,846,744	\$ 10,158,806	\$ 11,998,942	\$ 12,784,113	\$ 12,179,206	\$ 11,689,058	\$ 13,550,397

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program revenues										
Governmental activities										
Charges for services	\$ 77,807	\$ 65,476	\$ 40,133	\$ 49,800	\$ 63,000	\$ 116,667	\$ 153,180	\$ 149,556	\$ 152,956	\$ 48,726
Operating grants & contributions	414,023	442,023	435,294	432,874	432,888	148,360	164,616	163,972	138,513	220,518
Total governmental activities	<u>491,830</u>	<u>507,499</u>	<u>475,427</u>	<u>482,674</u>	<u>495,888</u>	<u>265,027</u>	<u>317,796</u>	<u>313,528</u>	<u>291,469</u>	<u>269,244</u>
Business-type activities										
Charges for services										
Food service	116,527	90,015	86,531	76,649	72,704	75,623	84,476	85,475	54,434	526
Operating grants & contributions	19,694	13,640	18,903	17,189	18,207	26,281	27,455	26,185	25,063	97,002
Total business-type activities	<u>136,221</u>	<u>103,655</u>	<u>105,434</u>	<u>93,838</u>	<u>90,911</u>	<u>101,904</u>	<u>111,931</u>	<u>111,660</u>	<u>79,497</u>	<u>97,528</u>
Total district-wide program revenues	<u>\$ 628,051</u>	<u>\$ 611,154</u>	<u>\$ 580,861</u>	<u>\$ 576,512</u>	<u>\$ 586,799</u>	<u>\$ 366,931</u>	<u>\$ 429,727</u>	<u>\$ 425,188</u>	<u>\$ 370,966</u>	<u>\$ 366,772</u>
Net (expense) revenues										
Governmental activities	\$ (8,794,107)	\$ (8,901,585)	\$ (9,556,007)	\$ (9,250,091)	\$ (9,561,913)	\$ (11,620,939)	\$ (12,356,716)	\$ (11,759,353)	\$ (11,296,635)	\$ (13,190,337)
Business-type activities	<u>(16,844)</u>	<u>(5,809)</u>	<u>13,131</u>	<u>(20,141)</u>	<u>(10,094)</u>	<u>(11,072)</u>	<u>2,330</u>	<u>5,335</u>	<u>(21,457)</u>	<u>6,712</u>
Total district-wide net expenses	<u>\$ (8,810,951)</u>	<u>\$ (8,907,394)</u>	<u>\$ (9,542,876)</u>	<u>\$ (9,270,232)</u>	<u>\$ (9,572,007)</u>	<u>\$ (11,632,011)</u>	<u>\$ (12,354,386)</u>	<u>\$ (11,754,018)</u>	<u>\$ (11,318,092)</u>	<u>\$ (13,183,625)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 7,044,281	\$ 7,185,108	\$ 7,185,000	\$ 7,185,000	\$ 7,328,700	\$ 7,554,774	\$ 7,792,127	\$ 7,994,723	\$ 8,254,617	\$ 8,419,709
Taxes levied for debt service	477,341	479,291	510,802	320,575	527,288	538,725	551,375	547,537	551,800	330,209
Federal and State aid not restricted	1,457,953	1,413,789	1,942,680	1,729,346	1,874,340	4,381,767	5,113,504	4,273,176	3,680,080	5,141,442
Investment earnings	3,333	3,240	3,137	1,993	2,049	2,193	7,528	46,488	39,431	16,722
Miscellaneous income	58,976	2,368	4,115	82,382	30,271	43,083	50,113	41,917	11,668	89,982
Transfers in (out)	-	-	537,410	(78,671)	154,144	-	-	-	(10,000)	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	(1,572)	-	-
Total governmental activities	<u>9,041,884</u>	<u>9,083,796</u>	<u>10,183,144</u>	<u>9,240,625</u>	<u>9,916,792</u>	<u>12,520,542</u>	<u>13,514,647</u>	<u>12,902,269</u>	<u>12,527,596</u>	<u>13,998,064</u>
Business-type activities										
Miscellaneous income	-	-	-	74	15	-	-	-	-	-
Transfers	-	-	-	-	(224)	-	-	-	10,000	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>(209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total district-wide	<u>\$ 9,041,884</u>	<u>\$ 9,083,796</u>	<u>\$ 10,183,144</u>	<u>\$ 9,240,699</u>	<u>\$ 9,916,583</u>	<u>\$ 12,520,542</u>	<u>\$ 13,514,647</u>	<u>\$ 12,902,269</u>	<u>\$ 12,537,596</u>	<u>\$ 13,998,064</u>
Change in net position										
Governmental activities	\$ 247,777	\$ 182,211	\$ 627,137	\$ (9,466)	\$ 354,879	\$ 899,603	\$ 1,157,931	\$ 1,142,916	\$ 1,230,961	\$ 807,727
Business-type activities	(16,844)	(5,809)	13,131	(20,067)	(10,303)	(11,072)	2,330	5,335	(11,457)	6,712
Total district	<u>\$ 230,933</u>	<u>\$ 176,402</u>	<u>\$ 640,268</u>	<u>\$ (29,533)</u>	<u>\$ 344,576</u>	<u>\$ 888,531</u>	<u>\$ 1,160,261</u>	<u>\$ 1,148,251</u>	<u>\$ 1,219,504</u>	<u>\$ 814,439</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Restricted	\$ 1,433,004	\$ 1,754,990	\$ 1,639,568	\$ 1,767,689	\$ 1,936,326	\$ 2,892,087	\$ 3,907,297	\$ 4,721,322	\$ 5,023,828	\$ 5,369,090
Committed	134,612	94,915	21,202	70,092	17,295	9,186	31,085	25,812	151,477	114,843
Assigned	-	-	-	-	-	60,552	-	15,353	66,669	-
Unassigned	160,586	173,029	151,063	213,655	201,902	144,318	157,637	212,857	146,635	356,912
Total general fund	<u>\$ 1,728,202</u>	<u>\$ 2,022,934</u>	<u>\$ 1,811,833</u>	<u>\$ 2,051,436</u>	<u>\$ 2,155,523</u>	<u>\$ 3,106,143</u>	<u>\$ 4,096,019</u>	<u>\$ 4,975,344</u>	<u>\$ 5,388,609</u>	<u>\$ 5,840,845</u>
									*	
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,657	\$ 29,549
Capital projects fund	-	-	825,296	20,645	-	17,593	17,593	17,593	829,970	350,920
Committed, reported in										
Capital projects fund	-	-	-	-	-	-	-	-	905,432	311,611
Assigned, reported in										
Debt service fund	2	-	-	-	1	3,863	3,863	-	-	-
Total all other governmental funds	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 825,296</u>	<u>\$ 20,645</u>	<u>\$ 1</u>	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ 17,593</u>	<u>\$ 1,764,059</u>	<u>\$ 692,080</u>
									*	

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 7,521,622	\$ 7,664,399	\$ 7,695,802	\$ 7,505,575	\$ 7,855,988	\$ 8,093,499	\$ 8,343,502	\$ 8,542,260	\$ 8,806,417	\$ 8,749,918
Tuition charges	77,807	65,476	40,133	49,800	63,000	76,167	114,680	99,056	103,331	44,138
Interest earnings	3,333	3,240	3,137	1,993	2,049	2,193	7,528	46,488	39,431	16,722
Rents and royalties	-	-	-	-	-	2,500	2,500	2,500	1,625	-
Miscellaneous	58,976	2,368	4,115	82,382	30,271	81,443	87,213	93,917	60,168	99,946
State sources	1,591,033	1,687,075	2,183,400	2,008,197	2,155,633	2,169,726	2,311,578	2,450,595	2,371,898	2,753,999
Federal sources	280,943	168,737	194,574	154,023	151,595	148,000	163,516	159,972	138,013	215,142
Total revenues	9,533,714	9,591,295	10,121,161	9,801,970	10,258,536	10,573,528	11,030,517	11,394,788	11,520,883	11,879,865
Expenditures										
Instruction										
Regular instruction	2,522,970	2,416,083	2,368,660	2,505,340	2,622,188	2,766,210	2,829,463	2,868,748	2,795,907	3,270,291
Special education instruction	751,280	894,437	862,204	887,509	907,768	712,671	624,488	752,580	675,676	721,851
Other special instruction	186,254	200,631	187,410	159,881	174,488	128,612	137,583	142,306	147,755	155,572
Other instruction	80,296	83,870	86,401	74,182	96,169	87,915	92,462	98,831	90,552	31,140
Support services										
Tuition	104,569	63,464	217,694	150,925	193,850	218,350	194,899	184,634	198,609	119,854
Student & inst related services	1,002,375	926,936	1,101,262	1,367,410	1,122,877	805,320	853,480	913,069	1,006,054	1,146,295
General administration	436,684	427,562	518,365	565,113	491,603	462,223	500,357	544,724	468,242	419,717
School administration services	183,440	187,931	39,922	-	41,100	71,038	71,857	75,156	75,793	78,866
Plant operations & maintenance	592,263	649,672	752,098	634,232	663,821	656,934	719,196	740,146	830,256	873,116
Pupil transportation	344,846	335,094	425,403	415,877	397,360	379,310	378,932	414,802	408,526	362,924
Employee benefits	2,119,590	2,355,845	2,207,157	2,362,208	2,531,927	2,559,533	2,789,380	2,920,962	2,992,223	3,261,638
Capital outlay	295,889	275,747	229,588	923,766	387,061	87,707	100,141	115,584	798,797	123,635
Special revenue funds	-	-	-	-	-	148,360	164,616	163,972	138,513	224,217
Capital projects fund	-	-	-	-	-	-	-	-	1,084,598	1,072,871
Debt service										
Principal	314,782	329,151	373,739	195,000	410,000	435,000	470,000	490,000	510,000	535,000
Interest & other charges	162,559	150,142	137,063	125,575	117,287	99,863	113,787	93,812	74,212	102,621
Total expenditures	9,097,797	9,296,565	9,506,966	10,367,018	10,157,499	9,619,046	10,040,641	10,519,326	12,295,713	12,499,608

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (deficiency) of revenues over (under) expenditures	\$ 435,917	\$ 294,730	\$ 614,195	\$ (565,048)	\$ 101,037	\$ 954,482	\$ 989,876	\$ 875,462	\$ (774,830)	\$ (619,743)
Other financing sources (uses)										
Proceeds from bond issuance	-	-	-	-	-	-	-	-	2,820,000	-
Transfers	-	-	-	-	-	-	-	-	(10,000)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,810,000	-
Net change in fund balances	\$ 435,917	\$ 294,730	\$ 614,195	\$ (565,048)	\$ 101,037	\$ 954,482	\$ 989,876	\$ 875,462	\$ 2,035,170	\$ (619,743)
Debt service as a percentage of non-capital expenditures	5.73%	5.61%	5.83%	3.51%	5.70%	5.95%	6.24%	5.95%	5.35%	5.43%

Source: District Records

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

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Interest income	\$ 3,333	\$ 3,240	\$ 3,137	\$ 1,993	\$ 2,049	\$ 2,193	\$ 7,528	\$ 46,488	\$ 39,431	\$ 16,719
Tuition	77,807	65,476	40,133	49,800	63,000	76,167	114,680	99,056	103,331	44,138
Prior year refunds	-	-	-	-	-	32,644	40,757	16,712	1,070	55,663
Miscellaneous	58,976	2,368	4,115	63,541	29,171	888	143	16,805	598	646
Shared service	-	-	-	-	-	38,000	36,000	48,000	48,000	-
Facility rentals	-	-	-	-	-	2,500	2,500	2,500	1,625	2,500
E-rate	-	-	-	-	-	9,521	9,093	8,400	-	31,173
Donations	-	-	-	-	-	-	-	-	10,000	-
Book fees	-	-	-	-	-	30	120	-	-	-
Annual totals	<u>\$ 140,116</u>	<u>\$ 71,084</u>	<u>\$ 47,385</u>	<u>\$ 115,334</u>	<u>\$ 94,220</u>	<u>\$ 161,943</u>	<u>\$ 210,821</u>	<u>\$ 237,961</u>	<u>\$ 204,055</u>	<u>\$ 150,839</u>

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	\$ 12,373,520	\$ 8,649,620	\$ 8,135,620	\$ 6,913,420	\$ 7,096,320	\$ 6,357,320	\$ 5,442,620	\$ 5,323,320	\$ 5,174,520	\$ 4,985,220
Residential	594,251,900	515,755,700	525,352,300	536,516,600	537,945,200	537,507,700	541,959,000	543,247,600	548,258,400	549,915,400
Farm regular	268,009,200	229,195,800	225,358,900	217,293,700	217,854,300	219,692,500	217,696,100	219,003,100	217,935,500	217,630,100
Q farm	6,259,300	6,632,300	6,516,700	6,486,910	6,454,510	6,501,710	6,414,610	6,389,910	6,355,310	6,345,210
Commercial	18,597,500	17,203,300	17,196,100	17,273,600	17,745,400	17,968,600	17,834,900	18,069,700	17,720,800	17,743,200
Industrial	8,742,900	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600
Apartment	1,065,700	939,500	939,500	939,500	939,500	939,500	939,500	939,500	961,300	961,300
Total assessed value	909,300,020	785,646,820	790,769,720	792,694,330	795,305,830	796,237,930	797,557,330	800,243,730	803,676,430	804,851,030
Public utilities (a)	1,394,200	-	-	-	-	-	-	-	-	-
Net valuation taxable	\$ 910,694,220	\$ 785,646,820	\$ 790,769,720	\$ 792,694,330	\$ 795,305,830	\$ 796,237,930	\$ 797,557,330	\$ 800,243,730	\$ 803,676,430	\$ 804,851,030
Estimated actual county equalized value	\$ 984,321,465	\$ 956,408,133	\$ 821,549,020	\$ 828,840,956	\$ 880,978,900	\$ 882,054,987	\$ 872,792,000	\$ 861,310,655	\$ 876,801,691	\$ 873,035,069
Percentage of net valuation to estimated actual equalized value	92.52%	82.15%	96.25%	95.64%	90.28%	90.27%	91.38%	92.91%	91.66%	92.19%
Total direct school tax rate (b)	\$ 0.85	\$ 0.98	\$ 0.97	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.07	\$ 1.10	\$ 1.09	\$ 1.09

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation
Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies;
- (b) Tax rates are per \$100.

- * Revalued/Reassessed
- * Limited exemptions and abatements

See independent auditors' report.

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

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Municipality		County		
2012	\$ 0.795	\$ 0.054	\$ 0.849	\$ 0.560	\$ 0.320	\$ 0.370	\$ 2.10	
2013	* 0.922	0.061	0.983	0.640	0.370	0.410	2.40	
2014	0.907	0.065	0.972	0.667	0.408	0.416	2.46	
2015	0.949	0.042	0.991	0.686	0.429	0.414	2.52	
2016	0.950	0.068	1.018	0.604	0.438	0.428	2.49	
2017	0.978	0.070	1.048	0.596	0.453	0.411	2.51	
2018	1.001	0.071	1.072	0.590	0.475	0.413	2.55	
2019	1.030	0.071	1.101	0.537	0.485	0.406	2.53	
2020	1.048	0.041	1.089	0.597	0.485	0.412	2.58	
2021	1.067	0.019	1.086	0.610	0.495	0.409	2.60	

Sources: Municipal Tax Collector

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

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

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

	2021			2012		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Texas Eastern Transmission Corp.	\$ 3,426,400	1	0.43%	\$ 3,984,900	1	0.44%
Trap Rock Industries, Inc.	3,173,800	2	0.39%	3,750,000	2	0.41%
Holly Farm Partners	2,720,900	3	0.34%	3,125,000	3	0.34%
Sentinel Self Storage LLC	2,467,700	4	0.31%	-		-
Cane Poultry Farm, Inc.	2,464,400	5	0.31%	3,044,500	4	0.33%
Individual Property Owner	2,222,000	6	0.28%	2,322,000	6	0.25%
Individual Property Owner	2,092,900	7	0.26%	2,301,100	7	0.25%
Individual Property Owner	1,921,900	8	0.24%	2,257,600	8	0.25%
Individual Property Owner	1,902,400	9	0.24%	1,946,500	10	0.21%
Individual Property Owner	1,788,800	10	0.22%	-		-
Individual Property Owner	-		-	2,537,100	5	0.28%
Tulach Mhoir LLC	-		-	2,023,000	9	0.22%
	<u>\$ 24,181,200</u>		<u>3.02%</u>	<u>\$ 27,291,700</u>		<u>2.98%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2012	\$ 7,521,622	\$ 7,521,622	100.00%
2013	7,664,399	7,664,399	100.00%
2014	7,695,802	7,695,802	100.00%
2015	7,505,575	7,505,575	100.00%
2016	7,855,988	7,855,988	100.00%
2017	8,093,499	8,093,499	100.00%
2018	8,343,502	8,343,502	100.00%
2019	8,542,260	8,542,260	100.00%
2020	8,806,417	8,806,417	100.00%
2021	8,749,918	8,749,918	100.00%

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2012	\$ 3,747,890	\$ -	\$ -	\$ -	\$ -	\$ 3,747,890	1.15%	\$ 824	
2013	3,418,739	-	-	-	-	3,418,739	1.00%	755	
2014	3,045,000	-	-	-	-	3,045,000	0.90%	673	
2015	3,000,000	-	-	-	-	3,000,000	0.85%	664	
2016	2,440,000	-	-	-	-	2,440,000	0.67%	543	
2017	2,005,000	-	-	-	-	2,005,000	0.54%	449	
2018	1,535,000	-	-	-	-	1,535,000	0.40%	344	
2019	1,045,000	-	-	-	-	1,045,000	0.27%	235	
2020	3,355,000	-	-	-	-	3,355,000	0.82%	756	
2021	2,820,000	-	-	-	-	2,820,000	N/A	640	

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

(a) See Exhibit J-14 for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 3,747,890	\$ -	\$ 3,747,890	0.41%	\$ 824
2013	3,418,739	-	3,418,739	0.44%	755
2014	3,045,000	-	3,045,000	0.39%	673
2015	3,000,000	-	3,000,000	0.38%	664
2016	2,440,000	-	2,440,000	0.31%	543
2017	2,005,000	-	2,005,000	0.25%	449
2018	1,535,000	-	1,535,000	0.19%	344
2019	1,045,000	-	1,045,000	0.13%	235
2020	3,355,000	-	3,355,000	0.42%	756
2021	2,820,000	-	2,820,000	0.35%	640

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

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 8,452,589	100.00%	\$ 8,452,589
Regional High School	2,110,000	9.10%	191,992
County general obligation debt	90,647,955	3.99%	<u>3,614,861</u>
Subtotal, overlapping debt			12,259,442
School district direct debt			<u>3,355,000</u>
Total direct and overlapping debt			<u><u>\$ 15,614,442</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis
	2020 \$ 871,760,961
	2019 873,056,655
	2018 858,419,255
	\$ 2,603,236,871
Average equalized valuation of taxable property	\$ 867,745,624
Debt limit (3.0% of average equalization value) (a)	\$ 26,032,369
Total net debt applicable to limit	2,820,000
Legal debt margin	\$ 23,212,369

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt limit	\$ 26,736,820	\$ 26,663,971	\$ 26,103,097	\$ 26,028,241	\$ 26,032,369
Total net debt applicable	2,005,000	1,535,000	1,045,000	3,355,000	2,820,000
Legal debt margin	\$ 24,731,820	\$ 25,128,971	\$ 25,058,097	\$ 22,673,241	\$ 23,212,369
Total net debt applicable to the limit as a percentage of debt limit	7.50%	5.76%	4.00%	12.89%	10.83%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 29,439,854	\$ 28,286,178	\$ 27,288,791	\$ 26,520,639	\$ 26,734,162
Total net debt applicable	3,747,890	3,418,739	3,045,000	3,000,000	2,440,000
Legal debt margin	\$ 25,691,964	\$ 24,867,439	\$ 24,243,791	\$ 23,520,639	\$ 24,294,162
Total net debt applicable to the limit as a percentage of debt limit	12.73%	12.09%	11.16%	11.31%	9.13%

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

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

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2012	4,546	\$ 327,021,056	\$ 71,936	5.9%
2013	4,527	340,606,953	75,239	5.0%
2014	4,524	339,548,820	75,055	4.1%
2015	4,515	354,766,125	78,575	3.4%
2016	4,495	364,193,890	81,022	3.4%
2017	4,467	374,071,047	83,741	2.8%
2018	4,467	379,837,944	85,032	2.4%
2019	4,451	394,202,815	88,565	2.3%
2020	4,437	409,495,167	92,291	5.9%
2021	N/A	N/A	N/A	N/A

Sources:

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

N/A Information Not Available

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

2021

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

2012

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

See independent auditors' report.

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	35.0	34.0	34.0	35.0	35.0	36.5	34.0	35.6	37.5	37.7
Special education	7.0	7.0	7.0	10.0	9.0	10.0	11.7	13.3	12.8	8.6
Other special education	4.0	4.0	4.0	4.0	4.0	3.9	2.0	-	-	-
Support services										
Student and instruction related services	13.0	13.0	13.0	10.0	10.0	10.7	7.1	11.7	9.0	7.1
General administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
School administration services	3.0	2.0	2.0	2.0	2.0	1.0	3.1	2.1	2.1	3.6
Plant operations and maintenance	5.0	5.0	5.0	5.0	5.0	4.6	5.8	6.4	5.3	5.3
Transportation services	6.0	6.0	6.0	1.0	1.0	0.6	0.6	0.2	0.4	0.4
Total	<u>77.0</u>	<u>75.0</u>	<u>75.0</u>	<u>71.0</u>	<u>70.0</u>	<u>71.2</u>	<u>68.3</u>	<u>73.3</u>	<u>71.1</u>	<u>66.7</u>

Source: District Personnel Records

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	432	\$ 8,324,567	\$ 19,270	10.22%	43.0	1:19	479.0	439.0	4.59%	91.65%
2013	410	8,541,525	20,833	8.11%	45.0	1:19	432.0	456.0	-9.81%	105.56%
2014	411	8,766,576	21,330	2.39%	48.0	1:18	408.0	424.0	-5.56%	103.92%
2015	389	9,122,677	23,452	9.95%	45.0	1:18	411.0	396.0	0.74%	96.35%
2016	404	9,243,151	22,879	-2.44%	49.0	1:18	400.2	380.8	-2.63%	95.15%
2017	388	8,996,476	23,187	1.35%	49.0	1:14	384.2	367.3	-4.00%	95.60%
2018	386	9,356,713	24,240	4.54%	44.7	1:14	389.0	370.7	1.25%	95.30%
2019	373	9,819,930	26,327	8.61%	43.5	1:9	372.9	356.0	-4.14%	95.47%
2020	376	9,828,106	26,139	-0.71%	43.1	1:9	375.4	363.3	0.67%	96.78%
2021	362	10,665,481	29,463	12.72%	46.6	1:8	364.3	351.1	-2.96%	96.39%

Source: District Records

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Delaware Township Elementary</u>										
Square feet	91,575	91,575	91,575	91,575	91,575	97,575	104,893	104,893	104,893	104,893
Capacity (students)	620.0	620.0	620.0	620.0	620.0	620.0	620.0	620	620	620
Enrollment	463	432	410	389	379	384	364	373	378	359
<u>Garage (2013)</u>										
Square feet	N/A	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<u>Number of schools at June 30, 2021:</u>										
Elementary	1									
Other	1									

Source: District Facilities Office

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

N/A = Not Available

See independent auditors' report.

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

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ended</u>	<u>Amount</u>
2012	\$ 197,766
2013	222,999
2014	266,920
2015	173,899
2016	212,079
2017	153,166
2018	189,217
2019	213,367
2020	317,026
2021	293,345
Total school facilities	<u>\$ 2,239,784</u>

Source: District Records

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

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
(Unaudited)

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

See independent auditors' report.

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delaware Township School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



BKC, CPAs, PC



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

March 14, 2022
Flemington, New Jersey



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

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

Report on Compliance for Each Major State Program

We have audited the Delaware Township School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2021. The District's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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



BKC, CPAs, PC



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

March 14, 2022
Flemington, New Jersey

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2021

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/20	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2021				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education																	
Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027	H027A200100	IDEA-1040-21	\$ 89,359	07/01/20	06/30/21	\$ -	\$ -	\$ -	\$ 89,359	\$ -	\$ -	\$ (89,359)	\$ -	\$ -		
IDEA Basic	84.027	H027A190100	IDEA-1040-20	84,369	07/01/19	06/30/20	(1,060)	-	4,060	3,000	-	-	-	-	-		
IDEA Preschool	84.173	H173S200114	IDEA-1040-21	6,248	07/01/20	06/30/21	-	-	-	6,248	-	-	(6,248)	-	-		
IDEA Preschool	84.173	H173S190114	IDEA-1040-20	6,233	07/01/19	06/30/20	(5,777)	-	5,777	-	-	-	-	-	-		
Total special education cluster (IDEA)							(6,837)	-	9,837	98,607	-	-	(95,607)	-	-		
Title I A	84.010A	S010S200030	ESSA-1040-21	\$ 15,783	07/01/20	06/30/21	-	-	6,591	15,783	-	-	(9,192)	-	-		
Title I A	84.010A	S010S190030	ESSA-1040-20	15,704	07/01/19	06/30/20	(1,430)	-	1,430	-	-	-	-	-	-		
Title II A	84.367A	S367A200029	ESSA-1040-21	4,748	07/01/20	06/30/21	-	-	-	-	-	-	-	-	-		
Title II A	84.367A	S367A190029	ESSA-1040-20	5,156	07/01/19	06/30/20	(929)	-	929	-	-	-	-	-	-		
Title IV	84.424	S424A200031	ESSA-1040-21	10,000	07/01/20	06/30/21	-	-	3,914	10,000	-	-	(6,086)	-	-		
CARES Act	84.425	S425D200027	CARES-1040-22	12,621	03/13/20	09/30/22	-	-	12,621	12,621	-	-	-	-	-		
Coronavirus Relief Fund	84.425	S425D200028	CARES-1040-21	15,345	07/01/20	06/30/21	-	-	15,345	15,345	-	-	-	-	-		
NJ Digital Divide	84.425	S425D190027	CARES-1040-21	13,711	07/16/20	10/31/20	-	-	13,711	13,711	-	-	-	-	-		
Rural Education Achievement Program	84.358A	S358B200030	S358A194203	38,595	07/01/20	09/30/21	-	-	38,595	38,595	-	-	-	-	-		
Rural Education Achievement Program	84.358A	S358B193030	S358A184195	34,400	07/01/19	09/30/20	(24,811)	-	24,811	-	-	-	-	-	-		
Total Special Revenue Fund							(34,007)	-	127,784	204,662	-	-	(110,885)	-	-		
U.S. Department of Agriculture passed through State Department of Agriculture																	
Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	10,712	10/01/19	09/30/20	2,226	-	-	2,226	-	-	-	-	-		
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	211NJ304N1099	N/A	6,779	10/01/20	09/30/21	-	-	6,779	3,213	-	-	-	3,566	-		
National School Breakfast Program																	
Cash Assistance	10.553	211NJ304N1099	N/A	22,291	10/01/20	09/30/21	-	-	18,902	22,291	-	-	(3,389)	-	-		
National School Lunch Program																	
Cash Assistance	10.555	191NJ304N1099	N/A	16,898	10/01/18	09/30/19	(3,551)	-	-	-	-	-	(3,551)	-	-		
National School Lunch Program																	
Cash Assistance	10.555	201NJ304N1099	N/A	14,666	10/01/19	09/30/20	(1,736)	-	1,736	-	-	-	-	-	-		
National School Lunch Program																	
Cash Assistance	10.555	211NJ304N1099	N/A	66,298	10/01/20	09/30/21	-	-	59,879	66,298	-	-	(6,419)	-	-		
Total Enterprise Fund							(3,061)	-	87,296	94,028	-	-	(13,359)	3,566	-		
Total Federal Financial Assistance							\$ (37,068)	\$ -	\$ 215,080	\$ 298,690	\$ -	\$ -	\$ (124,244)	\$ 3,566	\$ -		

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2021

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020		Cash Received	Budgetary Expenditure	Adjustment Repayment	Balance June 30, 2021			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	21-495-034-5120-089	\$ 267,084	07/01/20	06/30/21	\$ -	\$ -	\$ 241,225	\$ 267,084	\$ -	\$ -	\$ -	\$ -	\$ 25,859	\$ 267,084
School Choice Aid	21-495-034-5120-068	294,789	07/01/20	06/30/21	-	-	266,248	294,789	-	-	-	-	28,541	294,789
Security Aid	21-495-034-5120-084	34,010	07/01/20	06/30/21	-	-	30,717	34,010	-	-	-	-	3,293	34,010
Adjustment Aid	21-495-034-5120-085	255,386	07/01/20	06/30/21	-	-	230,660	255,386	-	-	-	-	24,726	255,386
Transportation Aid	21-495-034-5120-014	167,383	07/01/20	06/30/21	-	-	151,177	167,383	-	-	-	-	16,206	167,383
Extraordinary Aid	21-495-034-5120-044	106,887	07/01/20	06/30/21	-	-	-	106,887	-	(106,887)	-	-	-	106,887
Extraordinary Aid	20-100-034-5120-473	23,911	07/01/19	06/30/20	(21,734)	-	23,911	2,177	-	-	-	-	-	23,911
Non-Public Transportation Aid	21-495-034-5120-014	3,480	07/01/20	06/30/21	-	-	-	3,480	-	(3,480)	-	-	-	3,480
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Func	21-495-034-5094-002	1,000,497	07/01/20	06/30/21	-	-	1,000,497	1,000,497	-	-	-	-	-	1,000,497
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	21-495-034-5094-004	19,036	07/01/20	06/30/21	-	-	19,036	19,036	-	-	-	-	-	19,036
On-Behalf TPAF Pension Contribution - Postretirement Medical	21-495-034-5094-001	319,506	07/01/20	06/30/21	-	-	319,506	319,506	-	-	-	-	-	319,506
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	21-495-034-5094-004	450	07/01/20	06/30/21	-	-	450	450	-	-	-	-	-	450
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	266,330	07/01/20	06/30/21	(13,363)	-	13,363	-	-	-	-	-	-	266,330
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	278,573	07/01/20	06/30/21	-	-	264,611	278,573	-	(13,962)	-	-	-	278,573
Total General Fund					<u>(35,097)</u>	<u>-</u>	<u>2,561,401</u>	<u>2,749,258</u>	<u>-</u>	<u>(124,329)</u>	<u>-</u>	<u>-</u>	<u>98,625</u>	<u>3,037,322</u>
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	919	07/01/18	06/30/19	(192)	-	-	-	-	(192)	-	-	-	919
State School Lunch Program	20-100-010-3350-023	676	07/01/19	06/30/20	(89)	-	89	-	-	-	-	-	-	676
State School Lunch Program	21-100-010-3350-023	2,974	07/01/20	06/30/21	-	-	2,517	2,974	-	(457)	-	-	-	2,974
Total Enterprise Fund					<u>(281)</u>	<u>-</u>	<u>2,606</u>	<u>2,974</u>	<u>-</u>	<u>(649)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,569</u>
Total State Financial Assistance					<u>\$ (35,378)</u>	<u>\$ -</u>	<u>\$ 2,564,007</u>	<u>2,752,232</u>	<u>\$ -</u>	<u>\$ (124,978)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,625</u>	<u>\$3,041,891</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Func	21-495-034-5094-002							1,000,497						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	21-495-034-5094-004							19,036						
On-Behalf TPAF Pension Contribution - Postretirement Medical	21-495-034-5094-001							319,506						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	21-495-034-5094-004							450						
Total for State Financial Assistance - Major Program Determination								<u>\$ 1,412,743</u>						

See independent auditors' report.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Delaware Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,741 for the general fund and \$10,480 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

DELAWARE TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 3 - Relationship of financial statements (continued)

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

	Local	Federal	State	Total
General fund	\$ -	\$ -	\$ 2,753,999	\$ 2,753,999
Special revenue fund	9,967	215,142	-	225,109
Food service fund	-	94,028	2,974	97,002
Total awards and financial assistance	<u>\$ 9,967</u>	<u>\$ 309,170</u>	<u>\$ 2,756,973</u>	<u>\$ 3,076,110</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2021. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2021.

Note 6 - Indirect costs

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

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

2. Were significant deficiencies identified? Yes No

Noncompliance material to basic financial statements noted? Yes No

Federal Awards Not Applicable

Internal Control Over Major Programs:

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

2. Were significant deficiencies identified? Yes None reported

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

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

Identification of Major Programs:

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

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

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

DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

State Awards

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

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

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>21-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>21-495-034-5120-084</i>	<i>Special Education Categorical Aid</i>
<i>21-495-034-5120-085</i>	<i>Security Aid</i>
<i>21-495-034-5120-068</i>	<i>Adjustment Aid</i>
	<i>School Choice Aid</i>

**DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2021.

**DELAWARE TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021**

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

There were no findings or questioned costs for the fiscal year ended June 30, 2021.

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**DELAWARE TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2021**

Status of Prior Year Findings

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