

**SCHOOL DISTRICT
OF**

**DELTRAN
TOWNSHIP**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021**

**Annual Comprehensive
Financial Report**

of the

Delran Township Board of Education

Delran, New Jersey

For the Fiscal Year Ended June 30, 2021

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

DELRAN TOWNSHIP SCHOOL DISTRICT

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Introductory Section

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

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

January 28, 2022

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Delran Township School District for the fiscal year ended June 30, 2021 is hereby submitted. This ACFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular vocational as well as special education or handicapped youngsters.

The District completed the 20-21 fiscal year with an average daily enrollment of 2,894 students, which is 90 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last 10 years.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	2,894	-3.02%
2019-2020	2,984	0.81%
2018-2019	2,961	0.50%
2017-2018	2,946	-1.21%
2016-2017	2,982	-1.26%
2015-2016	3,020	1.38%
2014-2015	2,979	0.78%
2013-2014	2,956	4.16%
2012-2013	2,838	-4.86%
2011-2012	2,983	2.37%

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

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

3) MAJOR INITIATIVES: The district has endeavored to be responsive to the COVID-19 pandemic and initiated the following programs and responses to ensure comprehensive services continue to be delivered:

- Bipolar ionization program
- One to One computing initiative
- Supplemental programming (Twilight)
- Mental health services through the introduction of school based therapists and expansion of services
- Expansion of onsite special education programming
- Expansion of English language learner programming
- Development of capital projects to increase classroom space and physical plant enhancements
- Introduction of programs designed increase parent engagement (transition from Google Classroom to Canvas platform)
- Formative assessment programming parallel to NJDOE Start Strong Assessments

- Programming in sustainability and energy conservation have led to the US EPA awards
- Institution of a 2nd phase of an Energy Savings Improvement Program

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

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

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

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

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

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

The district transitioned to a fully remote instructional model from March-June, 2020; a hybrid instructional model from September 1, 2020 through November 13, 2020 before transitioning back to a remote model from November 16, 2020 through the calendar year. The district has been fully in person since September 1, 2021 without modification.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial

assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

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

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

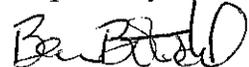
8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

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

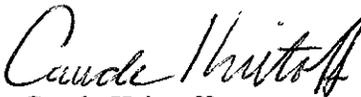
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the staff of the Delran Public Schools for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been

accomplished without the efficient and dedicated services of the support staff employed in the Business Office.

Respectfully submitted,

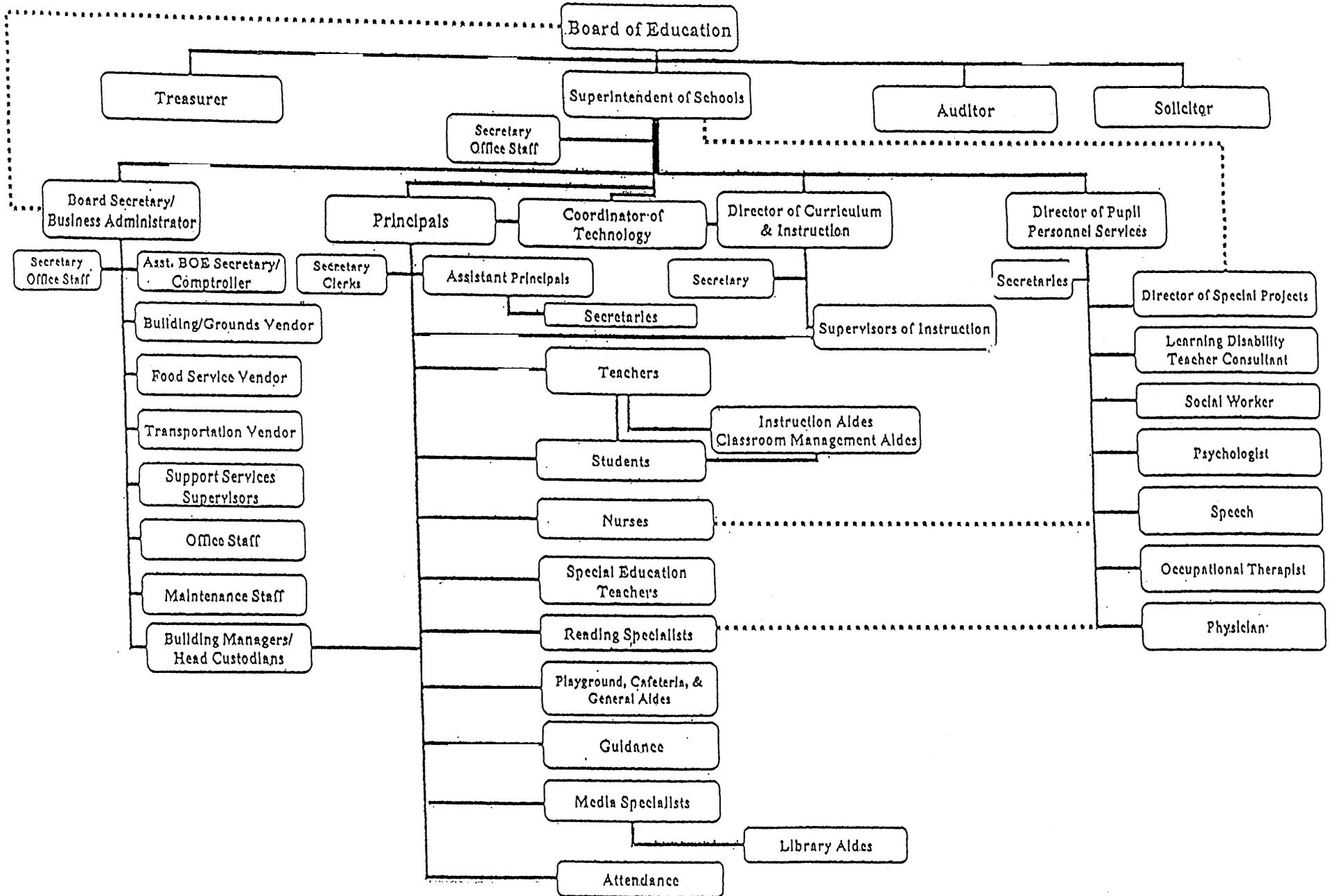


Brian Brotschul, Ed. D.
Superintendent



Cande Kristoff
Board Secretary/Business Administrator

DELRAN BOARD OF EDUCATION
Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Glenn Kitley, President	2022
Joseph Biluck Jr., Vice-President	2023
John Brophy	2021
Mark Chierici	2022
Mary Melvin	2023
Michael Mongon	2021
Mark Oberg	2021
Amy Rafanello	2021
Eileen Wachter	2023

Other Officials

Dr. Brian Brotschul, Superintendent
Cande Kristoff, Business Administrator
Jonathan Busch, Esq., Solicitor

**DELRAN TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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

Attorney

Busch Law Group
405 Main Street
Metuchen, NJ 08840

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

TD Bank
1050 South Chester Avenue
Delran, NJ 08075

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
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E-Mail: rinverso@inversocpa.com

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 20 to the financial statements, during the fiscal year ended June 30, 2021, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. My opinions are 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 28, 2022 on my consideration of the Delran Township School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delran Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
January 28, 2022

Required Supplementary Information - Part I
Management's Discussion and Analysis

**Delran Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

As management of the Board of Education of the Township of Delran, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The liabilities of the School District exceeded the assets at the close of the most recent fiscal year by \$282,556 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$9,063,830. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and the state statute that prohibits school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$4,482,630 or an 94.07% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the results of fixed asset adjustments.
- Fund balance of the School District's governmental funds increased by \$3,369,849 resulting in an ending fund balance of \$12,685,226. The majority of the increase is attributable to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$248,184 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$2,669,082 which is the result of principal payments on debt obligations, the increase of compensated absences, and the decreases in net pension liability.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2022. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2022.

The liabilities of the primary government activities exceeded assets by \$880,481 with an unrestricted deficit balance of \$9,063,830. The net position of the primary government does not include internal balances.

A net investment of (\$2,912,182) in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,894 public school students. Net position of \$7,802,732 has been restricted to provide resources for future capital expansion and renovation projects while \$703,149 has been restricted for budget appropriation, \$2,156,856, is reserved for maintenance, \$78,849 is reserved for unemployment compensation, and \$353,945 is reserved for student activities.

As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

**Delran Township School District
Comparative Summary of Net Position
As of June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current assets	\$ 13,069,822	\$ 9,393,328	\$ 403,739	\$ 408,273	\$ 13,473,561	\$ 9,801,601
Capital assets	18,687,096	19,654,518	349,741	371,201	19,036,837	20,025,719
Total assets	31,756,918	29,047,846	753,480	779,474	32,510,398	29,827,320
Deferred Loss on Defeasance	1,161,892				1,161,892	
Deferred Outflows of Resources	1,370,652	2,837,009			1,370,652	2,837,009
LIABILITIES						
Current liabilities	3,500,383	3,488,169	155,555	39,372	3,655,938	3,527,541
Noncurrent liabilities	28,563,879	31,294,264			28,563,879	31,294,264
Total Liabilities	32,064,262	34,782,433	155,555	39,372	32,219,817	34,821,805
Deferred Inflows of Resources	3,105,681	3,041,634			3,105,681	3,041,634
Net Position	\$ (880,481)	\$ (5,939,212)	\$ 597,925	\$ 740,102	\$ (282,556)	\$ (5,199,110)
Net Position Consists of:						
Net investment in Capital Assets	(2,912,182)	(4,026,452)	349,741	371,201	(2,562,441)	(3,655,251)
Restricted Assets	11,095,531	9,053,917			11,095,531	9,053,917
Unrestricted Assets	(9,063,830)	(10,966,677)	248,184	368,901	(8,815,646)	(10,597,776)
Net Position	\$ (880,481)	\$ (5,939,212)	\$ 597,925	\$ 740,102	\$ (282,556)	\$ (5,199,110)

Governmental Activities

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

- Long term debt decreased \$2,669,082.
- Capital assets had a net decrease of \$967,422.

Business-type Activities

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

- The Food Services Fund had a net loss of \$142,177 for this fiscal year.

Delran Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
Revenues:						
Charges for services	\$ -	\$ -	\$ 18,405	\$ 528,188	\$ 18,405	\$ 528,188
Operating Grants and contributions	24,429,197	17,567,684	715,299	585,053	25,144,496	18,152,737
Property taxes	35,305,934	34,652,392			35,305,934	34,652,392
State aid - unrestricted	18,177,230	16,492,207			18,177,230	16,492,207
Tuition	128,292	110,696			128,292	110,696
Other revenues	265,176	319,777			265,176	319,777
Total Revenues	78,305,829	69,142,756	733,704	1,113,241	79,039,533	70,255,997
Expenses:						
Governmental Activities:						
Instruction	22,574,384	21,591,293			22,574,384	21,591,293
Tuition	2,280,685	2,478,924			2,280,685	2,478,924
Related Services	6,559,176	5,803,141			6,559,176	5,803,141
Administrative Services	3,020,684	2,902,798			3,020,684	2,902,798
Operations and Maintenance	6,079,576	22,004,120			6,079,576	22,004,120
Transportation	2,051,809	1,794,948			2,051,809	1,794,948
Employee benefits	30,405,300	23,433,200			30,405,300	23,433,200
Charter Schools	56,192	20,421			56,192	20,421
Interest on debt	608,066	614,423			608,066	614,423
Other	45,150	9,993			45,150	9,993
Business-Type Activities:						
Food Service			875,881	1,256,245	875,881	1,256,245
Total Expenses	73,681,022	80,653,261	875,881	1,256,245	74,556,903	81,909,506
Increase (Decrease) in Net Position before transfers	4,624,807	(11,510,505)	(142,177)	(143,004)	4,482,630	(11,653,509)
Transfers						
Change in Net Position	4,624,807	(11,510,505)	(142,177)	(143,004)	4,482,630	(11,653,509)
Net Position, July 1	(5,939,212)	5,571,293	740,102	883,106	(5,199,110)	6,454,399
Prior Period Adjustment	433,924				433,924	
Net Position, July 1 Restated	(5,505,288)		740,102		(4,765,186)	
Net Position, June 30	\$ (880,481)	\$ (5,939,212)	\$ 597,925	\$ 740,102	\$ (282,556)	\$ (5,199,110)

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$12,685,226 an increase of \$3,369,849 in comparison with the prior year. Most of this increase is the result of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of \$1,312,861. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$7,802,732, 2) appropriated as a revenue source in the subsequent year's budget \$703,149, 3) reserved for unemployment compensation \$78,849, 4) reserved for encumbrances \$276,834, 5) reserved for maintenance \$2,156,856, 6) reserved for student activities \$353,945.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the General Fund was \$2,837,504, while total fund balance (budgetary basis) was \$13,349,822. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$56,606,172. Unreserved fund balance (budgetary basis) represents 5.01% of expenditures while total fund balance (budgetary basis) represents 23.58% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$19,036,837 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$988,882, or a 4.94% decrease. The decrease is due to depreciation less current year additions.

**Delran Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		District-Wide	
	2021	2020	2021	2020	2021	2020
Construction in Progress	\$ 777,764	\$ 777,764	\$ -	\$ -	\$ 777,764	\$ 777,764
Building and Building Improvements	17,468,649	18,456,174			17,468,649	18,456,174
Equipment	440,683	420,580	349,741	371,201	790,424	791,781
Net Assets	<u>\$ 18,687,096</u>	<u>\$ 19,654,518</u>	<u>\$ 349,741</u>	<u>\$ 371,201</u>	<u>\$ 19,036,837</u>	<u>\$ 20,025,719</u>

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

Long-term debt – During the fiscal year ended June 30, 2021, the School District had total bonded debt outstanding of \$18,670,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$3,455,812, \$1,153,389 in compensated absences, and \$6,942,183 in net pension liability.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$64,709,908 and the available borrowing capacity was \$46,039,908.

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

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2021-22 fiscal year.

- For the 2021-22 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund remains the same as the previous year. Salaries continue to increase contractually; however, the District has managed to control costs. The 2021-22 General Fund Budget is \$2,449,769 greater than the previous year or a 4.64% increase. The district tax rate increased from \$2.454 in 2020 to \$2.474 in 2021.

For the Future

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

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

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

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

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 1,209,259	\$ 297,137	\$ 1,506,396
Accounts Receivables, net	2,407,077	95,369	2,502,446
Inventory		11,233	11,233
Restricted assets:			
Cash and cash equivalents	9,453,486		9,453,486
Capital assets, net	18,687,096	349,741	19,036,837
Total Assets	31,756,918	753,480	32,510,398
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on defeasance	1,161,892		1,161,892
Deferred outflows of resources from pensions	1,370,652	-	1,370,652
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	34,289,462	753,480	35,042,942
LIABILITIES:			
Accounts payable:			
Other	319,358	14,682	334,040
Related to pensions	515,522		515,522
Intergovernmental Accounts payable:			
State	21,822		21,822
Internal Balances	(99,152)	99,152	
Accrued Liabilities:			
Interest payable	307,402		307,402
Unearned revenue	142,568	41,721	184,289
Noncurrent liabilities:			
Due within one year	2,292,863		2,292,863
Due beyond one year	28,563,879		28,563,879
Total Liabilities	32,064,262	155,555	32,219,817
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	3,105,681	-	3,105,681
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	35,169,943	155,555	35,325,498
NET POSITION:			
Net investment in capital assets	(2,912,182)	349,741	(2,562,441)
Restricted for:			
Capital projects	7,802,732		7,802,732
Maintenance	2,156,856		2,156,856
Excess Surplus	703,149		703,149
Unemployment Compensation	78,849		78,849
Student Activities	353,945		353,945
Unrestricted (Deficit)	(9,063,830)	248,184	(8,815,646)
Total Net Position	\$ (880,481)	\$ 597,925	\$ (282,556)

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 16,206,132	\$ 128,292	\$ 486,136	\$ -	\$ (15,591,704)	\$ -	\$ (15,591,704)
Special Education	4,930,017		676,111		(4,253,906)		(4,253,906)
Other instruction	1,438,235				(1,438,235)		(1,438,235)
Support Services:							
Tuition	2,280,685				(2,280,685)		(2,280,685)
Student & instruction related services	6,559,176		866,927		(5,692,249)		(5,692,249)
General administrative services	855,110				(855,110)		(855,110)
School administrative services	1,519,091				(1,519,091)		(1,519,091)
Central administrative services	646,483				(646,483)		(646,483)
Plant operations and maintenance	6,079,576				(6,079,576)		(6,079,576)
Pupil transportation	2,051,809				(2,051,809)		(2,051,809)
Unallocated employee benefits	30,405,300		22,400,023		(8,005,277)		(8,005,277)
Transfer of funds to Charter Schools	56,192				(56,192)		(56,192)
Interest on long-term debt	608,066				(608,066)		(608,066)
Unallocated depreciation and amortization	45,150				(45,150)		(45,150)
Total Governmental Activities	<u>73,681,022</u>	<u>128,292</u>	<u>24,429,197</u>	<u>-</u>	<u>(49,123,533)</u>	<u>-</u>	<u>(49,123,533)</u>
Business-Type Activities:							
Food service	875,881	18,405	715,299	-	-	(142,177)	(142,177)
Total Business-Type Activities	<u>875,881</u>	<u>18,405</u>	<u>715,299</u>	<u>-</u>	<u>-</u>	<u>(142,177)</u>	<u>(142,177)</u>
Total Primary Government	<u>\$ 74,556,903</u>	<u>\$ 146,697</u>	<u>\$ 25,144,496</u>	<u>\$ -</u>	<u>(49,123,533)</u>	<u>(142,177)</u>	<u>(49,265,710)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					33,343,638		33,343,638
Taxes levied for debt service					1,962,296		1,962,296
Federal and State aid unrestricted					18,177,230		18,177,230
Investment and interest earnings - restricted					7,347		7,347
Miscellaneous					257,829		257,829
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>53,748,340</u>	<u>-</u>	<u>53,748,340</u>
Change in Net Position					4,624,807	(142,177)	4,482,630
Net Position - July 1,					(5,939,212)	740,102	(5,199,110)
Prior Period Adjustments					433,924		433,924
Net Position - July 1, Restated					<u>(5,505,288)</u>	<u>740,102</u>	<u>(4,765,186)</u>
Net Position - June 30					<u>\$ (880,481)</u>	<u>\$ 597,925</u>	<u>\$ (282,556)</u>

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

Fund Financial Statements

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and Cash Equivalents	\$ 10,105,149	\$ 353,945	\$ 203,651	\$ -	\$ 10,662,745
Interfund Accounts Receivable:					
Special Revenue Fund	410,248				410,248
Enterprise Fund	99,152				99,152
Intergovernmental Accounts Receivables:					
State	1,520,800		302,451		1,823,251
Federal		153,652			153,652
Other	2,684	420,997			423,681
Other Accounts Receivable	6,493				6,493
Total Assets	12,144,526	928,594	506,102	-	13,579,222
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable:					
General Fund		410,248			410,248
Intergovernmental Accounts Payable:					
State		21,822			21,822
Accounts Payable:					
Payroll Deductions and Withholdings Payable	35,038				35,038
Unemployment Claims Payable	62,438				62,438
Other	207,871	14,011			221,882
Unearned Revenue	14,000	128,568			142,568
Total Liabilities	319,347	574,649	-	-	893,996
Fund Balances:					
Restricted:					
Capital Reserve	7,296,630				7,296,630
Maintenance Reserve	2,156,856				2,156,856
Excess Surplus	703,149				703,149
Unemployment Compensation	78,849				78,849
Capital Projects			506,102		506,102
Student Activities		353,945			353,945
Assigned to:					
Designated for Subsequent Year's Expenditures	276,834				276,834
Unassigned	1,312,861				1,312,861
Total Fund Balances	11,825,179	353,945	506,102	-	12,685,226
Total Liabilities and Fund Balances	\$ 12,144,526	\$ 928,594	\$ 506,102	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$63,434,009 and the accumulated depreciation is \$44,746,913.	18,687,096
Deferred Loss on Defeasance	1,161,892
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(307,402)
Accounts payable related to the April 1, 2022 required PERS contribution that is not to be liquidated with current financial resources.	(515,522)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of Resources from Pensions	\$ 1,370,652
Net Pension Liability	(6,942,183)
Deferred Inflows of Resources from Pensions	(3,105,681)
	(8,677,212)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
General Obligation Bonds	(18,670,000)
Bond Premium	(635,358)
Capital Lease Payable	(3,455,812)
Compensated Absences Payable	(1,153,389)
	(23,914,559)
Net position of governmental activities	\$ (880,481)

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 33,343,638	\$ -	\$ -	\$ 1,962,296	\$ 35,305,934
Tuition charges	128,292				128,292
Interest earned on Capital Reserve Funds	335				335
Interest earned on Maintenance Reserve Funds	166				166
Other restricted miscellaneous revenue	7,347				7,347
Unrestricted miscellaneous revenue	257,328				257,328
Local Sources		509,532			509,532
State sources	26,189,883	120,993		378,318	26,689,194
Federal sources	61,589	1,447,140			1,508,729
Total revenues	<u>59,988,578</u>	<u>2,077,665</u>	<u>-</u>	<u>2,340,614</u>	<u>64,406,857</u>
EXPENDITURES:					
Current expense:					
Regular instruction	15,578,712	486,136			16,064,848
Special education instruction	4,253,906	676,111			4,930,017
Other instruction	1,438,235				1,438,235
Support services and undistributed costs:					
Tuition	2,280,685				2,280,685
Student & instruction related services	5,683,772	875,404			6,559,176
General administrative services	722,412				722,412
School administrative services	1,519,091				1,519,091
Central services	550,483				550,483
Admin. Info. Tech	96,000				96,000
Plant operations and maintenance	4,361,806				4,361,806
Pupil transportation	2,051,809				2,051,809
Unallocated employee benefits	16,721,912	48,491			16,770,403
Capital outlay	1,291,157				1,291,157
Transfer of funds to charter schools	56,192				56,192
Debt service:					
Principal				1,765,000	1,765,000
Interest and other charges				579,694	579,694
Total expenditures	<u>56,606,172</u>	<u>2,086,142</u>	<u>-</u>	<u>2,344,694</u>	<u>61,037,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,382,406</u>	<u>(8,477)</u>	<u>-</u>	<u>(4,080)</u>	<u>3,369,849</u>
Other Financing Sources (Uses):					
Operating transfer in					
Operating transfer out					
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>3,382,406</u>	<u>(8,477)</u>	<u>-</u>	<u>(4,080)</u>	<u>3,369,849</u>
Fund balances, July 1	8,371,271		506,102	4,080	8,881,453
Prior Period Adjustments	71,502	362,422			433,924
Fund balances, July 1, Restated	<u>8,442,773</u>	<u>362,422</u>	<u>506,102</u>	<u>4,080</u>	<u>9,315,377</u>
Fund balances, June 30	<u>\$ 11,825,179</u>	<u>\$ 353,945</u>	<u>\$ 506,102</u>	<u>\$ -</u>	<u>\$ 12,685,226</u>

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

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

Total net change in fund balances - governmental funds (from B-2)	\$	3,369,849
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p style="padding-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	\$ (1,251,049)	
Adjustment	(394)	
Capital outlay	284,021	(967,422)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		1,861,366
Deferred loss on refunding arising from the issuance of the refunding school bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.		(133,742)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		354,068
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		264,075
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation.		(28,372)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(95,015)
Change in net position of governmental activities	\$	4,624,807

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

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

	Business-type Activities Enterprise Funds
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 297,137
Accounts receivable	95,369
Inventories	11,233
	403,739
Total current assets	403,739
Noncurrent assets:	
Equipment	995,870
Less accumulated depreciation	(646,129)
	349,741
Total noncurrent assets	349,741
Total assets	753,480
LIABILITIES	
Current liabilities:	
Accounts Payable	14,682
Interfund Payable	99,152
Unearned revenue	41,721
	155,555
Total liabilities	155,555
NET POSITION	
Net investment in capital assets	349,741
Unrestricted	248,184
	597,925
Total net position	\$ 597,925

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

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

	Business-type Activities Enterprise Funds
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 547
Daily sales-non-reimbursable programs	17,858
	18,405
Total operating revenue	18,405
Operating expenses:	
Salaries	227,731
Employee benefits	41,447
Supplies and materials	28,254
Depreciation	40,686
Management fee	90,119
Purchased professional services	152,852
Repairs and maintenance of equipment	31,458
Cost of sales - reimbursable programs	233,402
Cost of sales - nonreimbursable programs	6,556
Direct expenses	19,755
Other expenses	3,621
	875,881
Total operating expenses	875,881
Operating income (loss)	(857,476)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	25,357
Federal sources:	
National school lunch program	430,484
National school breakfast program	139,593
After school snacks	39,816
U.S.D.A. commodities	80,049
	715,299
Total nonoperating revenues (expenses)	715,299
Change in net position	(142,177)
Net position - July 1	740,102
Net position - June 30	\$ 597,925

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

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

	Business-type Activities Enterprise Funds
	Food Service Program
Cash flows from operating activities:	
Receipts from customers	\$ 21,914
Payments to employees	(259,931)
Payments to suppliers	(374,623)
Net cash used for operating activities	(612,640)
Cash flows from noncapital financing activities:	
State sources	19,247
Federal sources	553,825
Net cash provided by non-capital financing activities	573,072
Cash flows from capital activities:	
Purchases of fixed assets	(19,227)
Net cash used for capital activities	(19,227)
Cash flows from investing activities:	
Interest and dividends	-
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	(58,795)
Balances - July 1	355,932
Balances - June 30	\$ 297,137
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (857,476)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	40,686
Federal commodities	80,049
Change in assets and liabilities:	
(Increase)/decrease in inventory	7,918
Increase/(decrease) in unearned revenue	3,509
Increase/(decrease) in interfunds payable	99,152
Increase/(decrease) in accounts payable	13,522
Total adjustments	244,836
Net cash provided by (used for) operating activities	\$ (612,640)

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Delran Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately 7.5 square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the district is to provide educational services for all of Delran's students in grades K through 12. The Delran School District has an approximate enrollment at June 30, 2021 of 2,894 students.

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

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

Basis of Presentation

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

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

The School District’s enterprise fund is:

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

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

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

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

Measurement Focus

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Basis of Accounting

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2021 and 2020 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2021.

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Recently Issued Accounting Pronouncements – In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. This Statement should have no impact on the district’s financial statements.

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

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

2. CASH AND CASH EQUIVALENTS

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

2. CASH AND CASH EQUIVALENTS (Continued)

Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$12,707,127 as of June 30, 2021, \$250,000 was insured under FDIC and the remaining balance of \$12,457,127 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance – July 1, 2020		\$	3,346,412
Increased by:			
Transfer by Board Resolution	\$ 4,100,000		
Unspent in General Fund	31,283		
Interest Earned	335		
			4,131,618
			7,478,030
Decreased by:			
Budgeted Withdrawal	181,400		
Budgeted Resolution	-		
			181,400
Balance – June 30, 2021		\$	7,296,630

The June 30, 2021 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2021 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

4. ACCOUNTS RECEIVABLES (Continued)

Accounts receivable at June 30, 2021 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Intergovernmental					
State	\$ 1,520,800	\$ -	\$ 302,451	\$ 6,450	\$ 1,829,701
Federal	-	153,652	-	88,919	242,571
Other	9,177	420,997	-	-	430,174
Total	\$ 1,529,977	\$ 574,649	\$ 302,451	\$ 95,369	\$ 2,502,446

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Adjustments	Balance June 30, 2021
Governmental Activities:					
<i>Capital Assets, not being depreciated:</i>					
Construction in Progress	\$ 777,764	\$ -		\$ -	\$ 777,764
Total Capital Assets not being Depreciated	777,764	-	-	-	777,764
<i>Capital Assets, being depreciated:</i>					
Land Improvements	1,300,799	38,103			1,338,902
Building and Improvements	58,627,546	132,696			58,760,242
Machinery & Equipment	2,623,503	113,222	(179,625)		2,557,100
Total Historical Cost	63,329,612	284,021	(179,625)	-	63,434,008
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(781,451)	(48,166)			(829,617)
Building and Improvements	(40,690,720)	(1,110,158)			(41,800,878)
Machinery & Equipment	(2,202,923)	(92,725)	179,231		(2,116,417)
Total Accumulated Depreciation	(43,675,094)	(1,251,049)	179,231	-	(44,746,912)
Governmental Activities Capital Assets, Net	\$ 19,654,518	\$ (967,028)	\$ (394)	\$ -	\$ 18,687,096
Business-Type Activities:					
<i>Capital Assets, being depreciated:</i>					
Equipment	\$ 976,644	\$ 19,226	\$ -	\$ -	\$ 995,870
Less - Accumulated Depreciation	(605,443)	(40,686)			(646,129)
Business-Type Activities Capital Assets, Net	\$ 371,201	\$ (21,460)	\$ -	\$ -	\$ 349,741

Depreciation expense in the amount of \$1,251,049 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 46,269
Administration	132,698
Plant Operations and Maintenance	1,064,308
Unallocated	7,774
Total	\$ 1,251,049

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2021 consisted of the following:

	<u>Food Service</u>
Food	\$ 8,746
Supplies	<u>2,487</u>
	<u>\$ 11,233</u>

7. LONG-TERM OBLIGATIONS

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

	<u>Principal Outstanding July 1, 2020</u>		<u>Additions</u>		<u>Reductions</u>		<u>Principal Outstanding June 30, 2021</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ 1,058,374	\$	112,375	\$	17,360	\$	1,153,389	-
Capital Lease Payable	3,809,880		-		354,068		3,455,812	366,497
General Obligation Bonds	20,435,000		-		1,765,000		18,670,000	1,830,000
Bond Premium	731,724		-		96,366		635,358	96,366
Net Pension Liability	<u>7,490,846</u>		<u>-</u>		<u>548,663</u>		<u>6,942,183</u>	
	<u>\$ 33,525,824</u>	\$	<u>112,375</u>	\$	<u>2,781,457</u>	\$	<u>30,856,742</u>	<u>2,292,863</u>

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

2015 School Refunding Bonds dated October 6, 2015 in the amount of \$640,000 due in annual installments through January 15, 2023 bearing interest rates ranging from 2.00% - 4.00%.

2016 School Refunding Bonds dated April 14, 2016 in the amount of \$18,030,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 2.00% - 4.00%.

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,830,000	\$ 514,094	\$ 2,344,094
2023	1,900,000	439,694	2,339,694
2024	1,980,000	362,094	2,342,094
2025	2,045,000	302,044	2,347,044
2026	2,080,000	260,794	2,340,794
2027-2030	<u>8,835,000</u>	<u>479,597</u>	<u>9,314,597</u>
	<u>\$ 18,670,000</u>	<u>\$ 2,358,316</u>	<u>\$ 21,028,316</u>

As of June 30, 2021, the District had no authorized but not issued bonds.

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

7. LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases - As of June 30, 2021, the District had the following capital leases:

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

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2021:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 366,497	\$ 81,735	\$ 448,232
2023	335,315	72,682	407,996
2024	250,000	64,058	314,058
2025	263,000	58,024	321,024
2026	276,000	51,694	327,694
2027-2031	1,600,000	151,773	1,751,773
2032	<u>365,000</u>	<u>6,545</u>	<u>371,545</u>
	<u>\$ 3,455,812</u>	<u>\$ 486,510</u>	<u>\$ 3,942,322</u>

8. OPERATING LEASES

At June 30, 2021 the School District had three operating lease agreements in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2021 were \$148,545. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2022	\$ 148,545
June 30, 2023	148,545
June 30, 2024	148,545
June 30, 2025	<u>99,030</u>
Total future minimum lease payments	<u>\$ 544,665</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$4,084,768 and was paid by April 1, 2021. School District employee contributions to the pension plan during the fiscal year ended June 30, 2021 were \$1,601,393.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

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

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

At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2021, the School District recognized pension expense of \$7,381,259 and revenue of \$7,381,259 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

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

	<u>06/30/20</u>	<u>06/30/19</u>
Collective deferred outflows of resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective deferred inflows of resources	14,424,322,612	17,539,845,423
Collective net pension liability (Non-Employer – State of New Jersey)	65,993,498,688	61,519,112,443
State's portion of the net pension liability that was associated with the School District	118,699,793	108,319,381
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1802611421%	.1764994536%

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

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

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

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 are summarized in the following table:

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

Discount rate. The discount rate used to measure the State's 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 (State of New Jersey) 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 School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.40%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.40%) or 1 percentage point higher (6.40%) that the current rate:

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

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

	<u>1% Decrease (4.40%)</u>	<u>Current Discount Rate (5.40%)</u>	<u>1% Increase (6.40%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>139,426,808</u>	<u>118,699,793</u>	<u>101,489,486</u>
	<u>\$ 139,426,808</u>	<u>\$ 118,699,793</u>	<u>\$ 101,489,486</u>

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

Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of 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.

Based on the most recent PERS measurement date of June 30, 2020, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$465,704 and was paid by April 1, 2021. School District employee contributions to the pension plan during the fiscal year ended June 30, 2021 were \$250,660.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2021	\$ 53,167	\$ 390,027	\$ 22,510	\$ -	\$ 465,704
2020	37,421	346,289	20,676	1,618	406,004
2019	51,840	344,133	18,863	2,049	416,885

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

At June 30, 2021, the School District reported a liability of \$6,942,183 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2021, the School District recognized pension expense of \$201,627. At June 30, 2021, the School District reported a liability of \$6,942,183 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 126,406	\$ 24,551
Changes of assumptions	225,212	2,906,758
Net Difference between projected and actual earnings on pension plan investments	237,289	-
Changes in proportion	266,223	174,372
District contributions subsequent to the measurement date	515,522	
Total	\$ 1,370,652	\$ 3,105,681

\$515,522 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) will be recognized as a reduction of the net liability in the year ended June 30, 2021.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (877,186)
2023	(646,462)
2024	(499,016)
2025	(184,325)
2026	(43,562)
Total	\$ (2,250,551)

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.16	-
June 30, 2020	5.16	
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00

Additional Information

Collective balances at June 30, 2020 and 2019 are as follows:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective deferred outflows of resources	\$ 2,590,600,991	\$ 3,149,522,616
Collective deferred inflows of resources	\$ 12,009,239,423	\$ 7,645,087,574
Collective net pension liability	\$ 16,435,616,426	\$ 18,143,832,135
School District's Proportion	.0425707926%	.0415731202%

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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

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

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market 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%
Total	100.00%	

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 8,739,050	\$ 6,942,183	\$ 5,417,492

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

Defined Contribution Retirement Program (DCRP)

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

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

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

Year	Total Liability	Paid by School District
2021	\$ 29,782	\$ 29,782
2020	14,089	14,089
2019	7,949	7,949

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

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

Contributions

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

Plan Membership

As of June 30, 2019, the program membership consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	366,108

Total Non-Employer OPEB Liability

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

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 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 enrolled in.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 4.45% based on service years	2.00 – 6.00% based on service years	3.25 – 15.25% based on service years
Thereafter	1.55 – 4.45% based on service years	3.00 - 7.00% based on service years	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy Teacher’s (TPAF), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using the Scale MP-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, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rate for June 30, 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.

Changes in the Total Nonemployer OPEB Liability

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

	Total OPEB Liability
Balance as of June 30, 2019	\$ 76,788,477
Changes for the years'	
Service Cost	3,332,913
Interest	2,767,597
Changes of benefit terms	
Differences between expected and actual experience	21,503,996
Changes in assumptions	22,858,605
Gross Benefit Payments	(2,178,568)
Contributions from the Non-employer	N/A
Contributions from the Member	66,032
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ 48,350,575
Balance at 06/30/2020	\$ 125,139,052

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 150,861,586	\$ 125,139,052	\$ 105,026,507

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2020, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 101,016,463	\$ 125,139,052	\$ 153,863,694

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

For the fiscal year ended June 30, 2021, the School District recognized \$6,316,086 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2020 measurement date.

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

At June 30, 2021, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 2,003,898	\$ (872,633)
Differences between expected and actual experience	18,999,368	(16,923,961)
Changes of assumptions	21,285,740	(14,279,075)
Total	\$ 42,289,006	\$ (32,075,669)

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

For the year ended:	
2021	\$ 90,152
2022	90,152
2023	90,152
2024	90,152
2025	90,152
Thereafter	9,762,577
Total	\$ 10,213,337

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

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$5,285,092, \$1,656,266, and \$2,928, respectively. In addition, \$1,508,274 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

12. RISK MANAGEMENT (Continued)

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

The following is a summary of the School District's unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 7,347	\$ -	\$ -	\$ -	\$ 78,849
2019-2020	42,969	-	-	91,194	71,502
2018-2019	41,850	-	-	24,513	119,727

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2021, the liability for compensated absences in the governmental activities was \$1,153,389.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2022. The following interfund balances were recorded on the various balance sheets as of June 30, 2021:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 509,400	\$ -
Special Revenue	-	410,248
Capital Projects	-	-
Debt Service Fund	-	-
Proprietary Fund	-	99,152
	-	99,152
Total	\$ 509,400	\$ 509,400

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

16. CONTINGENCIES

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

At June 30, 2021, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. TAX ABATEMENTS

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

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

As of December 31, 2020, the Township of Delran had no tax abatements.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2021, a deficit of \$9,063,830 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2021:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance - Unassigned	\$ 1,312,861
Fund Balance - Assigned	276,834
Liabilities:	
Accrued Interest Payable	(307,402)
Net Pension Differences	(9,192,734)
Compensated Absences	<u>(1,153,389)</u>
Unrestricted Net Position (Deficit)	<u>\$ (9,063,830)</u>

19. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$-0- as presented on the budgetary basis of accounting (Exhibit C-1). In addition, \$703,149 of excess fund balance generated during the 2019-2020 fiscal year has been restricted and designated for utilization in the 2021-2022 budget.

Capital Reserve – As of June 30, 2021, the balance in the capital reserve account is \$7,296,630, all of which is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan. Of this amount \$360,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022.

Maintenance Reserve Account – As of June 30, 2021, the balance in the maintenance reserve account is \$2,156,856. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Unemployment Compensation Reserve – As of June 30, 2021, the balance in the unemployment compensation reserve is \$78,849. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities – As of June 30, 2021, the balance in student activities is \$353,945.

Capital Projects Fund – As of June 30, 2021, the balance in the capital projects fund is \$506,102.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021**

19. FUND BALANCES (Continued)

ASSIGNED

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

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022, \$276,834 of general fund balance.

UNASSIGNED

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

General Fund – As of June 30, 2021, the unassigned fund balance of the general fund is \$1,312,861.

20. PRIOR PERIOD ADJUSTMENT

GASB Statement No. 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020, were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ (5,939,212)	\$ 433,924	\$ (5,505,288)
<u>Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	8,371,271	71,502	8,442,773
Special Revenue Fund:			
Fund Balance - June 30		362,422	362,422
<u>Statement of Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	71,502	(71,502)	-
Student Activity Agency Fund:			
Net Position - End of the Year	362,422	(362,422)	-

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

21. SUBSEQUENT EVENTS

COVID-19 - The management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. The COVID-19 pandemic in New Jersey is ongoing. While the impact that COVID-19 will have on the School District is uncertain, there has been no material impact to the financial statements at this time.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 33,343,638	\$ -	\$ 33,343,638	\$ 33,343,638	\$ -
Tuition - Individuals		-		24,090	24,090
Tuition - Other LEA's	80,000		80,000	104,202	24,202
Transportation				-	-
Capital reserve interest	1,000	-	1,000	335	(665)
Maintenance reserve interest	2,000	-	2,000	166	(1,834)
Other restricted miscellaneous revenue				7,347	7,347
Unrestricted miscellaneous revenue	50,000	-	50,000	257,328	207,328
Total local sources	33,476,638	-	33,476,638	33,737,106	260,468
State sources:					
Categorical special education aid	2,561,908	-	2,561,908	2,561,908	-
Equalization aid	14,519,266	(1,670,798)	12,848,468	12,848,468	-
Security aid	418,930	-	418,930	418,930	-
Transportation aid	516,610	-	516,610	516,610	-
Extraordinary aid	275,000	-	275,000	1,428,053	1,153,053
Additional non-public transportation aid				16,530	16,530
On-behalf TPAF pension contributions (non-budgeted)				5,285,092	5,285,092
On-behalf TPAF medical (non-budgeted)				1,656,266	1,656,266
On-behalf TPAF LTDI (non-budgeted)				2,928	2,928
Reimbursed TPAF social security contributions (non-budgeted)				1,508,274	1,508,274
Total state sources	18,291,714	(1,670,798)	16,620,916	26,243,059	9,622,143
Federal sources:					
Medicaid reimbursement	45,523	-	45,523	61,589	16,066
Total federal sources	45,523	-	45,523	61,589	16,066
TOTAL REVENUES	51,813,875	(1,670,798)	50,143,077	60,041,754	9,898,677
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	781,837	(15,000)	766,837	701,532	65,305
Grades 1-5	4,542,161	144,765	4,686,926	4,657,853	29,073
Grades 6-8	3,126,653	28,000	3,154,653	3,073,874	80,779
Grades 9-12	5,414,827	2,500	5,417,327	5,358,526	58,801
Total Instruction	13,865,478	160,265	14,025,743	13,791,785	233,958
Regular Programs - Home Instruction:					
Salaries of teachers	60,000	-	60,000	46,915	13,085
Purchased professional - educ services	16,000	-	16,000	15,520	480
Total Home Instruction	76,000	-	76,000	62,435	13,565

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	\$ 197,857	\$ 2,100	\$ 199,957	\$ 190,748	\$ 9,209
Purchased technical services	47,682	(2,100)	45,582	36,916	8,666
Other purchased services	231,592	(6,352)	225,240	179,799	45,441
General supplies	977,035	245,240	1,222,275	1,148,124	74,151
Textbooks	171,700	(4,244)	167,456	150,647	16,809
Other objects	23,500	-	23,500	18,258	5,242
Total Undistributed Instruction	<u>1,649,366</u>	<u>234,644</u>	<u>1,884,010</u>	<u>1,724,492</u>	<u>159,518</u>
Total - Regular Programs - Instruction	<u>15,590,844</u>	<u>394,909</u>	<u>15,985,753</u>	<u>15,578,712</u>	<u>407,041</u>
Special Educ Instruction - Learning/Lang. Disabilities					
Salaries of teachers	567,412	26,200	593,612	549,283	44,329
Other salaries for instruction	65,880	-	65,880	65,880	-
General supplies	-	-	-	-	-
Total Learning/Language Disabilities	<u>633,292</u>	<u>26,200</u>	<u>659,492</u>	<u>615,163</u>	<u>44,329</u>
Special Educ Instruction - Multiple Disabilities					
Salaries of teachers	304,019	(99,000)	205,019	204,890	129
Other salaries for instruction	-	108,787	108,787	53,498	55,289
General supplies	382,872	(382,872)	-	-	-
Total Multiple Disabilities	<u>686,891</u>	<u>(373,085)</u>	<u>313,806</u>	<u>258,388</u>	<u>55,418</u>
Special Educ Instruction - Res. Room/Res. Center					
Salaries of teachers	3,166,749	(152,679)	3,014,070	2,982,848	31,222
General supplies	27,000	-	27,000	16,564	10,436
Total Resource Room/Resource Center	<u>3,193,749</u>	<u>(152,679)</u>	<u>3,041,070</u>	<u>2,999,412</u>	<u>41,658</u>
Special Educ Instruction - Autism					
Salaries of teachers	157,816	-	157,816	157,816	-
Total Autism	<u>157,816</u>	<u>-</u>	<u>157,816</u>	<u>157,816</u>	<u>-</u>
Preschool Disabilities - Part-time					
Salaries of teachers	189,919	-	189,919	134,384	55,535
Other salaries for instruction	105,053	-	105,053	87,386	17,667
General supplies	2,500	-	2,500	1,357	1,143
Total Preschool Disabilities - Part-time	<u>297,472</u>	<u>-</u>	<u>297,472</u>	<u>223,127</u>	<u>74,345</u>
Total Special Education - Instruction	<u>4,969,220</u>	<u>(499,564)</u>	<u>4,469,656</u>	<u>4,253,906</u>	<u>215,750</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries	562,889	(60,435)	502,454	483,434	19,020
Total Bilingual Education - Instruction	<u>562,889</u>	<u>(60,435)</u>	<u>502,454</u>	<u>483,434</u>	<u>19,020</u>

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Inst.					
Salaries	\$ 311,855	\$ -	\$ 311,855	\$ 172,221	\$ 139,634
Other purchased services	2,500	-	2,500	2,000	500
Supplies and materials	37,260	-	37,260	25,075	12,185
Other objects	1,760	-	1,760	995	765
Total School-Sponsored Cocurr. Act. - Inst	<u>353,375</u>	<u>-</u>	<u>353,375</u>	<u>200,291</u>	<u>153,084</u>
School-Sponsored Athletics - Inst.					
Salaries	416,901	-	416,901	340,271	76,630
Other purchased services	89,905	(4,500)	85,405	80,119	5,286
Supplies and materials	72,209	4,500	76,709	75,199	1,510
Other objects	1,850	-	1,850	988	862
Total School-Sponsored Athletics - Inst	<u>580,865</u>	<u>-</u>	<u>580,865</u>	<u>496,577</u>	<u>84,288</u>
Other Supplemental/At Risk Programs - Inst.					
Salaries of Reading Specialists	251,593	6,340	257,933	257,933	-
Total Supplemental/At Risk Programs - Inst	<u>251,593</u>	<u>6,340</u>	<u>257,933</u>	<u>257,933</u>	<u>-</u>
Undistributed Expenditures - Instruction					
Tuition to other lea's w/i state - regular	175,000	(34,949)	140,051	100,960	39,091
Tuition to other lea's w/i state - special	226,000	71,549	297,549	294,391	3,158
Tuition to county voc. school dist. - reg.	101,993	-	101,993	101,993	-
Tuition to county voc. school dist. - spl.	-	-	-	-	-
Tuition to CSSD & reg. day schools	1,033,400	(305,461)	727,939	233,980	493,959
Tuition to priv. sch. for the disabled w/i state	1,560,717	-	1,560,717	1,380,233	180,484
Tuition - state facilities	79,744	-	79,744	79,744	-
Tuition - other	28,894	62,854	91,748	89,384	2,364
Total Undistributed Expenditures - Instruction	<u>3,205,748</u>	<u>(206,007)</u>	<u>2,999,741</u>	<u>2,280,685</u>	<u>719,056</u>
Undistributed Expenditures - Attend. and Social Work					
Salaries	52,247	-	52,247	52,247	-
Total Undistributed Expenditures - Attendance	<u>52,247</u>	<u>-</u>	<u>52,247</u>	<u>52,247</u>	<u>-</u>
Undistributed Expenditures - Health Services					
Salaries	316,939	(10,565)	306,374	282,571	23,803
Purchased professional and technical services	26,510	(8,000)	18,510	7,945	10,565
Supplies and materials	13,450	-	13,450	6,446	7,004
Total Undistributed Expenditures - Health Svcs.	<u>356,899</u>	<u>(18,565)</u>	<u>338,334</u>	<u>296,962</u>	<u>41,372</u>
Undist. Expend. - Speech, OT, PT, & Rel. Serv.					
Salaries	459,011	-	459,011	459,008	3
Purchased professional and technical services	-	20,200	20,200	20,200	-
Supplies and materials	3,000	-	3,000	2,710	290
Total Undst. Expend. - Speech, OT, PT, & Rel. Serv.	<u>462,011</u>	<u>20,200</u>	<u>482,211</u>	<u>481,918</u>	<u>293</u>
Undist. Expend. - Sp. Ed. - Extraordinary Services.					
Salaries	499,401	-	499,401	481,864	17,537
Total Undst. Expend. - Special Ed.- Extra. Serv.	<u>499,401</u>	<u>-</u>	<u>499,401</u>	<u>481,864</u>	<u>17,537</u>

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

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DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance					
Salaries of other professional staff	\$ 781,871	\$ (60,434)	\$ 721,437	\$ 660,897	\$ 60,540
Salaries of secretarial and clerical assistants	199,731	-	199,731	187,884	11,847
Other purchased services (400-500)	100	-	100	-	100
Supplies and materials	5,800	-	5,800	5,024	776
Total Undst. Expend. - Guidance	987,502	(60,434)	927,068	853,805	73,263
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	961,213	136,500	1,097,713	1,053,497	44,216
Salaries of secretarial and clerical assistants	195,383	72,000	267,383	257,176	10,207
Purchased professional and educ. services	1,731,206	(59,000)	1,672,206	992,615	679,591
Purchased professional and technical services		-			-
Other purchased services (400-500)	15,500	-	15,500	3,739	11,761
Supplies and materials	75,214	(72,000)	3,214		3,214
Other objects	5,000	2,000	7,000	6,247	753
Total Undst. Expend. - Child Study Teams	2,983,516	79,500	3,063,016	2,313,274	749,742
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	127,493	250	127,743	127,743	-
Salaries of other professional staff	101,223	16,000	117,223	88,815	28,408
Salaries of secretarial and clerical assistants	47,515	-	47,515	46,129	1,386
Salaries of Facilitators, Math & Literacy Coaches	85,049	-	85,049	85,049	-
Supplies and materials	1,000	-	1,000	755	245
Other objects	13,775	-	13,775	6,525	7,250
Total Undst. Expend. - Improvement of Instr. Services	376,055	16,250	392,305	355,016	37,289
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	458,234	1,738	459,972	438,719	21,253
Salaries of Technology Coordinators	324,832	3,000	327,832	312,831	15,001
Purchased professional and technical services	46,369	500	46,869	21,067	25,802
Supplies and materials	33,349	(500)	32,849	30,952	1,897
Total Undst. Expend. - Educ. Media Serv./Sch. Library	862,784	4,738	867,522	803,569	63,953
Instructional Staff Training Services					
Salaries of secretarial and clerical assistance	14,931	-	14,931	11,698	3,233
Purchased professional and educ. services	42,720	(500)	42,220	27,522	14,698
Other purchased services (400-500)	83,400	(47,300)	36,100	5,897	30,203
Total instructional Staff Training Services	141,051	(47,800)	93,251	45,117	48,134
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	340,619	(25,000)	315,619	314,878	741
Legal services	68,000	45,326	113,326	113,305	21
Audit Fees	40,000	(3,000)	37,000	30,900	6,100
Architectural/Engineering Services	53,000	30,000	83,000	80,319	2,681
Other purchased professional services	19,500	(625)	18,875	9,870	9,005
Purchased technical services	4,714	-	4,714	1,166	3,548
Communications/Telephone	115,000	-	115,000	109,416	5,584
BOE Other purchased services (400-500)	5,500	2,200	7,700	1,076	6,624
Other purchased services (400-500)	16,100	(4,766)	11,334	10,828	506
General supplies	15,479	1,240	16,719	16,091	628
BOE In-House Training/Meeting Supplies	3,250	-	3,250	2,065	1,185
Miscellaneous expenditures	14,387	1,625	16,012	13,025	2,987
BOE membership dues and fees	22,500	(2,000)	20,500	19,473	1,027
Total Undst. Expend. - Supp. Serv. General Admin.	718,049	45,000	763,049	722,412	40,637

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	\$ 1,047,021	\$ 6,619	\$ 1,053,640	\$ 1,053,640	\$ -
Salaries of secretarial and clerical assistants	373,006	(2,619)	370,387	351,092	19,295
Purchased professional and technical services	65,938	4,487	70,425	67,244	3,181
Other purchased services	6,500	(5,000)	1,500	500	1,000
Supplies and Materials	43,166	(1,805)	41,361	35,636	5,725
Other objects	14,038	-	14,038	10,979	3,059
Total Undst. Expend. - Supp. Serv. School Admin.	1,549,669	1,682	1,551,351	1,519,091	32,260
Undist. Expend. - Central Services					
Salaries	445,364	-	445,364	440,999	4,365
Purchased professional services	60,000	-	60,000	30,637	29,363
Purchased technical services	106,517	-	106,517	59,186	47,331
Misc. purchased services	4,000	-	4,000	-	4,000
Supplies and materials	13,012	-	13,012	11,711	1,301
Miscellaneous expenditures	8,098	-	8,098	7,950	148
Total Undst. Expend. - Central Services	636,991	-	636,991	550,483	86,508
Undist. Expend. - Admin. Info. Tech.					
Salaries	56,556	-	56,556	56,556	-
Purchased technical services	57,295	-	57,295	38,249	19,046
Other purchased services	46,351	(40,000)	6,351	1,195	5,156
Total Undst. Expend. - Admin. Info. Tech.	160,202	(40,000)	120,202	96,000	24,202
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	640,991	-	640,991	583,683	57,308
Cleaning, repair, and maintenance services	575,828	116,934	692,762	658,707	34,055
General supplies	37,000	119,256	156,256	131,224	25,032
Total Undst. Expend. - Required Maint. Sch. Facilities	1,253,819	236,190	1,490,009	1,373,614	116,395
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	52,770	-	52,770	52,770	-
Salaries of non-instructional aids	80,208	37,000	117,208	34,067	83,141
Purchased professional - tech services	39,698	-	39,698	15,039	24,659
Cleaning, repair, and maintenance services	1,562,365	(57,500)	1,504,865	1,270,009	234,856
Other purchased property services	62,000	-	62,000	42,917	19,083
Insurance	226,250	6,500	232,750	232,699	51
Miscellaneous purchased services	800	-	800	523	277
General supplies	468,331	(45,000)	423,331	241,411	181,920
Energy (natural gas)	331,477	(98,477)	233,000	136,169	96,831
Energy (electricity)	505,000	-	505,000	396,581	108,419
Other objects	1,600	-	1,600	688	912
Total Undst. Expend. - Other Oper. & Maint. of Plant	3,330,499	(157,477)	3,173,022	2,422,873	750,149
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	53,670	-	53,670	53,670	-
Purchased professional and technical services	196,350	-	196,350	192,090	4,260
General supplies	11,000	-	11,000	-	11,000
Total Undst. Expend. - Care and Upkeep of Grounds	261,020	-	261,020	245,760	15,260
Security					
Salaries	40,098	-	40,098	38,189	1,909
Purchased professional and technical services	233,000	98,435	331,435	276,329	55,106
General Supplies	20,000	(14,958)	5,042	5,041	1
Total Security	293,098	83,477	376,575	319,559	57,016
Total Undst. Expend. - Oper. & Maint. of Plant Services	5,138,436	162,190	5,300,626	4,361,806	938,820

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$ 59,487	\$ -	\$ 59,487	\$ 59,487	\$ -
Contr. serv. - Aid in Lieu Pymts-nonpub Sch	91,148	-	91,148	45,477	45,671
Contr. serv. (bet. home & sch.) - vendors	1,459,392	2	1,459,394	1,240,064	219,330
Contr. serv. (other than bet. home & sch.) - vendors	193,700	-	193,700	57,753	135,947
Contr. serv. (sp ed stds) - vendors	1,143,622	(171,092)	972,530	430,843	541,687
Contr. serv. (sp ed stds) - joint agreements	150,374	150,000	300,374	214,510	85,864
Misc. purchased services - transportation	13,362	-	13,362	3,675	9,687
Total Undst. Expend. - Student Trans. Services	3,111,085	(21,090)	3,089,995	2,051,809	1,038,186
Unallocated Benefits - Employee Benefits					
Social security contributions	598,351	-	598,351	570,504	27,847
Other retirement contributions - PERS	469,500	33,000	502,500	502,457	43
Workmen's Compensation	267,500	(32,000)	235,500	235,112	388
Health benefits	7,051,910	(396,894)	6,655,016	6,529,851	125,165
Tuition reimbursements	53,239	(8,000)	45,239	34,630	10,609
Other Employee Benefits	126,000	275,092	401,092	396,798	4,294
Total Unallocated Benefits - Employee Benefits	8,566,500	(128,802)	8,437,698	8,269,352	168,346
On-behalf TPAF pension contributions (non-budgeted)				5,285,092	(5,285,092)
On-behalf TPAF medical (non-budgeted)				1,656,266	(1,656,266)
On-behalf TPAF LTDI (non-budgeted)				2,928	(2,928)
Reimbursed TPAF social security contributions (non-budgeted)				1,508,274	(1,508,274)
Total Undistributed Expenditures - TPAF				8,452,560	(8,452,560)
Total Undistributed Expenditures	29,808,146	(193,138)	29,615,008	33,987,970	(4,372,962)
Total General Current Expense	52,116,932	(351,888)	51,765,044	55,258,823	(3,493,779)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures - req. maint. school facilities	-	51,000	51,000	35,714	15,286
Total Equipment	-	51,000	51,000	35,714	15,286
Facilities Acquisition and Construction Services:					
Architect/Engineering Services	17,815	(11,400)	6,415		6,415
Construction	904,488	11,400	915,888	891,021	24,867
Land and Land Improvements	1,200,000	(1,200,000)			
Lease Purchase Agreements - Principal	344,313	(1)	344,312	344,312	-
Assessment for Debt Service on SDA funding	20,110	-	20,110	20,110	-
Total Facilities Acquisition and Construction Services	2,486,726	(1,200,001)	1,286,725	1,255,443	31,282
Assets acquired under capital leases (non-budgeted):					
Equipment					
Undistributed expenditures - instruction				-	-
Total assets acquired under capital leases	-	-	-	-	-
Total Capital Outlay	2,486,726	(1,149,001)	1,337,725	1,291,157	46,568
Transfer of Funds to Charter Schools	22,601	33,591	56,192	56,192	-
Total Expenditures	54,626,259	(1,467,298)	53,158,961	56,606,172	(3,447,211)

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ (2,812,384)</u>	<u>\$ (203,500)</u>	<u>\$ (3,015,884)</u>	<u>\$ 3,435,582</u>	<u>\$ 6,451,466</u>
Other Financing Sources (Uses): Proceeds from Capital Lease	<u> </u>	<u> </u>	<u> </u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,812,384)</u>	<u>(203,500)</u>	<u>(3,015,884)</u>	<u>3,435,582</u>	<u>6,451,466</u>
Fund Balance, July 1	9,842,738		9,842,738	9,842,738	
Prior Period Adjustment				71,502	71,502
Fund Balance, July 1, Restated	<u>9,842,738</u>	<u>-</u>	<u>9,842,738</u>	<u>9,914,240</u>	<u>71,502</u>
Fund Balance, June 30	<u>\$ 7,030,354</u>	<u>\$ (203,500)</u>	<u>\$ 6,826,854</u>	<u>\$ 13,349,822</u>	<u>\$ 6,522,968</u>
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 360,000	
Capital Reserve				6,936,630	
Maintenance Reserve				2,156,856	
Excess Surplus:					
Designated for Subsequent Year's Expenditures					
Years Expenditures				703,149	
Current Year				-	
Unemployment Compensation				78,849	
Assigned:					
Designated for Subsequent Year's Expenditures				276,834	
Unassigned				<u>2,837,504</u>	
				<u>13,349,822</u>	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(1,524,643)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 11,825,179</u>	

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

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ 52,598	\$ 52,598	\$ 509,532	\$ 456,934
State sources	-	142,815	142,815	120,993	(21,822)
Federal sources	873,465	713,116	1,586,581	1,447,140	(139,441)
Total revenues	<u>873,465</u>	<u>908,529</u>	<u>1,781,994</u>	<u>2,077,665</u>	<u>295,671</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	278,670	64,137	342,807	313,813	28,994
Purchased professional - educ. services	15,429	18,541	33,970	20,610	13,360
Tuition	536,420	139,691	676,111	676,111	-
Purchased professional - tech. services		16,174	16,174	8,930	7,244
General supplies		185,893	185,893	123,091	62,802
Other Objects		2,628	2,628	2,622	6
Textbooks		17,105	17,105	17,070	35
Total instruction	<u>830,519</u>	<u>444,169</u>	<u>1,274,688</u>	<u>1,162,247</u>	<u>112,441</u>
Support services:					
Salaries of other professional staff		21,338	21,338	8,655	12,683
Personal services - employee benefits		51,685	51,685	48,491	3,194
Purchased professional - educ. services	42,946	62,247	105,193	93,223	11,970
Purchased professional and technical services		42,966	42,966	42,966	-
Purchased professional		51,625	51,625	50,442	1,183
Travel		40,470	40,470	23,452	17,018
Other Objects		9,311	9,311	9,307	4
Supplies and materials		184,718	184,718	179,352	5,366
Student activities				468,007	(468,007)
Total support services	<u>42,946</u>	<u>464,360</u>	<u>507,306</u>	<u>923,895</u>	<u>(416,589)</u>
Facilities acquisition and construction services:					
Engineering		-	-	-	-
Construction		-	-	-	-
Total facilities acq. and const. services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>873,465</u>	<u>908,529</u>	<u>1,781,994</u>	<u>2,086,142</u>	<u>(304,148)</u>
Total outflows	<u>873,465</u>	<u>908,529</u>	<u>1,781,994</u>	<u>2,086,142</u>	<u>(304,148)</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,477)</u>	<u>(8,477)</u>
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	362,422	362,422
Fund Balance, July 1 (Restated)	-	-	-	362,422	362,422
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,945</u>	<u>\$ 353,945</u>
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 353,945</u>	
Total Fund Balance				<u>\$ 353,945</u>	

DELRAN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
Fiscal Year Ended June 30, 2021

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 60,041,754	\$ 2,077,665
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,471,467	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,524,643)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 59,988,578	\$ 2,077,665
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 56,606,172	\$ 2,086,142
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 56,606,172	\$ 2,086,142

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

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0425707926%	0.0415731202%	0.0417056023%	0.0412538649%	0.0439013136%	0.0420543940%	0.0422519522%	0.0404034841%
District's proportionate share of the net pension liability (asset)	\$ 6,942,183	\$ 7,490,846	\$ 8,211,625	\$ 9,603,240	\$ 13,002,310	\$ 9,440,369	\$ 7,910,721	\$ 7,721,909
District's covered-employee payroll	3,295,501	3,193,928	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	210.66%	234.53%	269.41%	326.01%	445.53%	324.59%	274.03%	272.06%
Plan fiduciary net position as a percentage of the total pension liability	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 515,522	\$ 465,704	\$ 406,004	\$ 416,885	\$ 387,473	\$ 390,013	\$ 361,555	\$ 348,319
Contributions in relation to the contractually required contributions	<u>(515,522)</u>	<u>(465,704)</u>	<u>(406,004)</u>	<u>(416,885)</u>	<u>(387,473)</u>	<u>(390,013)</u>	<u>(361,555)</u>	<u>(348,319)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
District's covered-employee payroll	3,295,501	3,193,928	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
Contributions as a percentage of covered-employee payroll	15.64%	14.58%	13.32%	14.15%	13.28%	13.41%	12.52%	12.27%

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

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1802611421%	0.1764994536%	0.1699670340%	0.1719759835%	0.1740272235%	0.1674755276%	0.1638892624%	0.1672709993%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 118,699,793</u>	<u>\$ 108,319,381</u>	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
Total	<u>\$ 118,699,793</u>	<u>\$ 108,319,381</u>	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
District's covered-employee payroll	20,937,858	20,380,225	19,770,078	19,161,160	18,350,014	17,728,774	17,726,454	17,428,428
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.18%	0.18%	0.18%	0.18%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 125,139,052	\$ 76,788,477	\$ 83,194,173	\$ 97,557,199
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 125,139,052</u>	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service Cost	\$ 3,332,913	\$ 3,079,745	\$ 3,444,684	\$ 4,155,935
Interest	2,767,597	3,294,961	3,577,762	3,100,676
Differences between expected and actual experiences	21,503,996	(11,638,021)	(9,690,826)	
Changes of assumptions	22,858,605	1,144,923	(9,546,948)	(13,243,258)
Member Contributions	66,032	69,873	76,885	83,205
Benefit payments	<u>(2,178,568)</u>	<u>(2,357,177)</u>	<u>(2,224,583)</u>	<u>(2,259,632)</u>
Net Change in total OPEB Liability	\$ 48,350,575	\$ (6,405,696)	\$ (14,363,026)	\$ (8,163,074)
Total OPEB Liability - beginning	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>	<u>\$ 105,720,273</u>
Total OPEB Liability - ending	<u>\$ 125,139,052</u>	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
District's covered-employee payroll	24,233,359	23,574,153	22,818,051	22,106,887
Total OPEB Liability as a percentage of covered-employee payroll	516.39%	325.73%	364.60%	441.30%

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

Delran Township School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2021

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions. The discount rate changed to 5.40% as of June 30, 2020 from 5.60% as of June 30, 2019 and the long-term rate of return remained at 7.00%.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions. The discount rate changed to 7.00% as of June 30, 2020 from 6.28% as of June 30, 2019 and the long-term rate of return remained at 7.00%.

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

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed to 2.21% as of June 30, 2020 from 3.50% as of June 30, 2019.

Other Supplementary Information

Special Revenue Fund

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Total
REVENUES:				
Local sources	\$ 12,876	\$ 459,530	\$ 37,126	\$ 509,532
State sources	120,993	-	-	120,993
Federal sources	-	1,233,556	213,584	1,447,140
Total Revenues	<u>133,869</u>	<u>1,693,086</u>	<u>250,710</u>	<u>2,077,665</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	-	313,813	-	313,813
Professional education services	14,461	6,149	-	20,610
Tuition	-	676,111	-	676,111
Professional technical services	8,930	-	-	8,930
General supplies	-	75,878	47,213	123,091
Other Objects	-	2,622	-	2,622
Textbooks	17,070	-	-	17,070
Total instruction	<u>40,461</u>	<u>1,074,573</u>	<u>47,213</u>	<u>1,162,247</u>
Support services:				
Salaries of other professional staff	-	8,655	-	8,655
Personal services-employee benefits	-	48,491	-	48,491
Purchased prof. and educational services	-	78,227	14,996	93,223
Purchase professional and technical services	50,442	-	-	50,442
Purchase professional	42,966	-	-	42,966
Travel	-	23,452	-	23,452
Other Objects	-	-	9,307	9,307
Supplies and materials	-	158	179,194	179,352
Student activities	-	468,007	-	468,007
Total support services	<u>93,408</u>	<u>626,990</u>	<u>203,497</u>	<u>923,895</u>
Facilities acquisition and const. serv.:				
Building	-	-	-	-
Non- Instructional equipment	-	-	-	-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>133,869</u>	<u>1,701,563</u>	<u>250,710</u>	<u>2,086,142</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>(8,477)</u>	<u>-</u>	<u>(8,477)</u>
Fund Balance, July 1	-	-	-	-
Prior Period Adjustment	-	362,422	-	362,422
Fund Balance, July 1 (Restated)	<u>-</u>	<u>362,422</u>	<u>-</u>	<u>362,422</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 353,945</u>	<u>\$ -</u>	<u>\$ 353,945</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Security	NJSIG Safety	Chapter 193 Handicapped Services Supplementary Instruction	Chapter 193 Handicapped Services Corrective Speech	Chapter 192 Auxillary Services Comp. Education	Chapter 193 Handicapped Services Exam & Classification	Carried Forward (Exh. E-1A)
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ 12,876	\$ -	\$ -	\$ -	\$ -	12,876
State sources	17,070	30,090	50,442		8,499	911	5,051	8,930	120,993
Total Revenues	17,070	30,090	50,442	12,876	8,499	911	5,051	8,930	133,869
EXPENDITURES:									
Instruction:									
Professional education services					8,499	911	5,051		14,461
Professional technical services								8,930	8,930
General supplies									-
Textbooks	17,070								17,070
Total instruction	17,070	-	-	-	8,499	911	5,051	8,930	40,461
Support services:									
Purchased prof. and educational services									-
Purchase professional and technical services		30,090		12,876					42,966
Purchase professional			50,442						50,442
Total support services	-	30,090	50,442	12,876	-	-	-	-	93,408
Facilities acquisition and const. serv.:									
Building									
Non-Instructional equipment									
Total facilities acquisition and const. serv.:					-				
Total Expenditures	17,070	30,090	50,442	12,876	8,499	911	5,051	8,930	133,869
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	Every Student Succeeds Act (ESSA)				IDEA Part B		Student Activity Fund	Carried Forward (Exh. E-1A)
	Title I	Title II-A	Title III	Title III Immigrant	Title IV	Basic		
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,530	\$ 459,530
State sources								-
Federal sources	377,775	43,261	61,511	5,099	28,346	696,490	21,074	1,233,556
Total Revenues	<u>377,775</u>	<u>43,261</u>	<u>61,511</u>	<u>5,099</u>	<u>28,346</u>	<u>696,490</u>	<u>21,074</u>	<u>1,693,086</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	313,138		675					313,813
Professional education services					6,149			6,149
Tuition						676,111		676,111
General supplies	13,623		40,551	1,061	20,643			75,878
Other Objects	2,622							2,622
Total instruction	<u>329,383</u>	<u>-</u>	<u>41,226</u>	<u>1,061</u>	<u>26,792</u>	<u>676,111</u>	<u>-</u>	<u>1,074,573</u>
Support services:								
Salaries of other professional staff		479	4,138	4,038				8,655
Personal services-employee benefits	48,392	37	62					48,491
Purchased prof. and educational services		35,220			1,554	20,379	21,074	78,227
Travel		7,525	15,927					23,452
Supplies and materials			158					158
Student Activities							468,007	468,007
Total support services	<u>48,392</u>	<u>43,261</u>	<u>20,285</u>	<u>4,038</u>	<u>1,554</u>	<u>20,379</u>	<u>21,074</u>	<u>626,990</u>
Facilities acquisition and const. serv.:								
Building								
Non-Instructional equipment								
Total facilities acquisition and const. serv.:								
Total Expenditures	<u>377,775</u>	<u>43,261</u>	<u>61,511</u>	<u>5,099</u>	<u>28,346</u>	<u>696,490</u>	<u>21,074</u>	<u>1,701,563</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	(8,477)	(8,477)
Fund Balance, July 1	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	362,422	362,422
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	362,422	362,422
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,945</u>	<u>\$ 353,945</u>

DELTRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2021

	WSFS Community	Sustainable NJ	Delran Education Foundation	Coronavirus Relief	Digital Divide	Rain Gardens for Recess	Lockheed Martin	CARES Act	Carried Forward (Exh. E-1A)
REVENUES:									
Local sources	\$ 16,415	\$ 1,865	\$ 7,725	\$ -	\$ -	\$ 3,621	\$ 7,500	\$ -	\$ 37,126
State sources									-
Federal sources				173,708	12,173			27,703	213,584
Total Revenues	16,415	1,865	7,725	173,708	12,173	3,621	7,500	27,703	250,710
EXPENDITURES:									
Instruction:									
Salaries of teachers									-
Professional education services									-
General supplies	16,415		7,725		12,173		7,500	3,400	47,213
Total instruction	16,415	-	7,725	-	12,173	-	7,500	3,400	47,213
Support services:									
Professional education services								14,996	14,996
Other Objects								9,307	9,307
Supplies and materials		1,865		173,708		3,621			179,194
Total support services	-	1,865	-	173,708	-	3,621	-	24,303	203,497
Facilities acquisition and const. serv.:									
Engineering									-
Construction									-
Total facilities acquisition and const. serv.:	-	-	-	-	-	-	-	-	-
Total Expenditures	16,415	1,865	7,725	173,708	12,173	3,621	7,500	27,703	250,710
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund
Detail Statements

**DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2021**

Revenues and Other Financing Sources:

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

Expenditures and Other Financing (Uses):

Purchased professional services	
Construction services	
Transfer to Debt Service Fund	
Total expenditures and other financing (uses)	

Excess (deficiency) or revenues over (under) expenditures	-
Fund Balance - July 1, 2020	506,102
Fund Balance - June 30, 2021	\$ 506,102

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements to District Facilities
From Inception and for the Fiscal Year ended June 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant				
Transfer from capital reserve				
Bond proceeds	\$ 25,858,000	\$ -	\$ 25,858,000	\$ 25,858,000
Total revenues	25,858,000	-	25,858,000	25,858,000
Expenditures and Other Financing Uses:				
Purchased professional services	3,738,652		3,738,652	3,738,652
Construction services	21,377,035		21,377,035	21,377,035
Other Objects	668,908		668,908	668,908
Total expenditures	25,784,595	-	25,784,595	25,784,595
Excess (deficiency) or revenues over (under) expenditures	\$ 73,405	\$ -	\$ 73,405	\$ 73,405

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/09/08
Bonds Authorized	\$0
Bonds Issued	\$0
Original Authorized Cost	\$0
Additional Authorized Cost	\$0
Revised Authorized Cost	\$0
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original target completion date	06/30/12
Revised target completion date	N/A

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof Replacement and Crawlspace Ventilation
From Inception and for the Fiscal Year ended June 30, 2021

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2021

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction and various improvements to the District's facilities	12/9/08	\$ 25,858,000	\$ 25,784,595	\$ -	\$ 73,405
Middle School Roof Replacement and Crawl Space Ventilation	7/1/15	<u>1,987,322</u>	<u>1,554,625</u>		<u>432,697</u>
Total		<u>\$ 27,845,322</u>	<u>\$ 27,339,220</u>	<u>\$ -</u>	<u>\$ 506,102</u>

Proprietary Funds

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Net Position

as of June 30, 2021

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 297,137
Accounts receivable:	
State	6,450
Federal	88,919
Inventories	11,233
Total current assets	<u>403,739</u>
Fixed assets:	
Equipment	995,870
Less: Accumulated depreciation	<u>(646,129)</u>
Total fixed assets	<u>349,741</u>
Total assets	<u>753,480</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	14,682
Interfund payable	99,152
Unearned revenue	<u>41,721</u>
Total current liabilities	<u>155,555</u>
NET POSITION:	
Net investment in capital assets	349,741
Unreserved retained earnings	<u>248,184</u>
Total Net Position	<u><u>\$ 597,925</u></u>

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Revenues, Expenses and Change in Fund Net Position
for the Fiscal Year ended June 30, 2021

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 547
Total-daily sales-reimbursable programs	547
Daily sales non-reimbursable programs	<u>17,858</u>
Total operating revenue	<u>18,405</u>
OPERATING EXPENSES:	
Salaries	227,731
Employee benefits	41,447
Supplies and materials	28,254
Depreciation	40,686
Management fee	90,119
Purchased professional services	152,852
Repairs and maintenance of equipment	31,458
Cost of sales - reimbursable programs	233,402
Cost of sales - nonreimbursable programs	6,556
Direct services	19,755
Other	<u>3,621</u>
Total operating expenses	<u>875,881</u>
Operating income (loss)	<u>(857,476)</u>
Non-operating revenues:	
State sources:	
State school lunch program	25,357
Federal sources:	
National school lunch program	430,484
National school breakfast program	139,593
After school snacks	39,816
U.S.D.A. commodities	<u>80,049</u>
Total non-operating revenues	<u>715,299</u>
Net income (loss)	(142,177)
Net Position - July 1	<u>740,102</u>
Net Position - June 30	<u>\$ 597,925</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Years ended June 30, 2021

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 21,914
Cash payments to employees for services	(259,931)
Cash payments to suppliers for goods and services	(374,623)
Net cash used by operating activities	(612,640)
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	573,072
Net cash provided by noncapital financing activities	573,072
Cash flows from capital financing activities:	
Purchases of fixed assets	(19,227)
Net cash used by capital financing activities	(19,227)
Net increase (decrease) in cash and cash equivalents	(58,795)
Cash and cash equivalents, July 1	355,932
Cash and cash equivalents, June 30	\$ 297,137
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (857,476)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	40,686
Federal commodities	80,049
Change in assets and liabilities:	
(Increase)/decrease in inventory	7,918
Increase/(decrease) in unearned revenue	3,509
Increase/(decrease) in interfunds payable	99,152
Increase/(decrease) in accounts payable	13,522
Net cash used by operating activities	\$ (612,640)

Long-Term Debt Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021
Refunding Bonds	10/6/2015	\$ 2,115,000	01/15/2022 01/15/2023	\$ 315,000 325,000	4.000% 2.000%	\$ 950,000	\$ -	\$ 310,000	\$ 640,000
Refunding School Bonds	4/14/2016	21,360,000	7/15/2021 7/15/2022 7/15/2023 7/15/2024 7/15/2025 7/15/2026 7/15/2027 7/15/2028 7/15/2029	1,515,000 1,575,000 1,980,000 2,045,000 2,080,000 2,125,000 2,180,000 2,245,000 2,285,000	4.000% 4.000% 4.000% 2.000% 2.000% 2.125% 4.000% 2.250% 2.500%	19,485,000	1,455,000	18,030,000	
Total						<u>\$ 20,435,000</u>	<u>\$ -</u>	<u>\$ 1,765,000</u>	<u>\$ 18,670,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Capital Leases
June 30, 2021

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2020	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2021
Energy Savings Improvement Program	2.38%	4,560,000	\$ 3,524,000	-	\$ 262,000	\$ 3,262,000
Technology Equipment	2.00%	285,880	285,880	-	92,068	193,812
Total			<u>\$ 3,809,880</u>	<u>-</u>	<u>\$ 354,068</u>	<u>\$ 3,455,812</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,962,296	\$ -	\$ 1,962,296	\$ 1,962,296	\$ -
Miscellaneous					-
Total revenues - local sources	<u>1,962,296</u>		<u>1,962,296</u>	<u>1,962,296</u>	
State sources:					
Debt service aid type II	378,318		378,318	378,318	
Total revenues - state sources	<u>378,318</u>		<u>378,318</u>	<u>378,318</u>	
Total Revenues	<u>2,340,614</u>		<u>2,340,614</u>	<u>2,340,614</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	1,765,000		1,765,000	1,765,000	
Interest on bonds	579,694		579,694	579,694	-
Total Expenditures	<u>2,344,694</u>		<u>2,344,694</u>	<u>2,344,694</u>	-
Excess (Deficiency) of revenues over (under) expenditures	(4,080)		(4,080)	(4,080)	
Other Financing Sources (Uses):					
Operating transfer in				-	-
Total Other Financing Sources (Uses)				-	-
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(4,080)		(4,080)	(4,080)	-
Fund Balances, July 1	4,080		4,080	4,080	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 7,020,702	\$ 8,434,666	\$ 9,582,074	\$ 10,712,615	\$ 10,878,711	\$ 7,573,286	\$ 9,030,715	\$ 10,530,730	\$ (4,026,452)	\$ (2,912,182)
Restricted for:	-	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-	353,945
Capital projects	2,507,499	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443	3,852,514	7,802,732
Debt service	184,770	16,772	498	1	38,111	165,581	129,961	6,571	4,080	-
Other purposes	3,466,309	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714	5,197,323	2,938,854
Unrestricted	(1,166,724)	(1,361,007)	(1,294,478)	(8,719,600)	(8,758,019)	(10,214,670)	(10,861,221)	(11,047,165)	(10,966,677)	(9,063,830)
Total governmental activities net position	<u>\$ 12,012,556</u>	<u>\$ 12,575,525</u>	<u>\$ 12,308,604</u>	<u>\$ 5,662,307</u>	<u>\$ 5,376,637</u>	<u>\$ 1,715,232</u>	<u>\$ 3,606,003</u>	<u>\$ 5,571,293</u>	<u>\$ (5,939,212)</u>	<u>\$ (880,481)</u>
Business-type activities:										
Net investment in capital assets	\$ 176,928	\$ 215,563	\$ 214,303	\$ 174,790	\$ 236,411	\$ 253,287	\$ 224,091	\$ 314,557	\$ 371,201	\$ 349,741
Unrestricted	411,440	391,787	477,672	393,459	416,701	516,167	573,706	568,549	368,901	248,184
Total business-type activities net position	<u>\$ 588,368</u>	<u>\$ 607,350</u>	<u>\$ 691,975</u>	<u>\$ 568,249</u>	<u>\$ 653,112</u>	<u>\$ 769,454</u>	<u>\$ 797,797</u>	<u>\$ 883,106</u>	<u>\$ 740,102</u>	<u>\$ 597,925</u>
District-wide:										
Net investment in capital assets	\$ 7,197,630	\$ 8,650,229	\$ 9,796,377	\$ 10,887,405	\$ 11,115,122	\$ 7,826,573	\$ 9,254,806	\$ 10,845,287	\$ (3,655,251)	\$ (2,562,441)
Restricted:										
Special revenue	-	-	-	-	-	-	-	-	-	353,945
Capital projects	2,507,499	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443	3,852,514	7,802,732
Debt service	184,770	16,772	498	1	38,111	165,581	129,961	6,571	4,080	-
Other purposes	3,466,309	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714	5,197,323	2,938,854
Unrestricted	(755,284)	(969,220)	(816,806)	(8,326,141)	(8,341,318)	(9,698,503)	(10,287,515)	(10,478,616)	(10,597,776)	(8,815,646)
Total district net position	<u>\$ 12,600,924</u>	<u>\$ 13,182,875</u>	<u>\$ 13,000,579</u>	<u>\$ 6,230,556</u>	<u>\$ 6,029,749</u>	<u>\$ 2,484,686</u>	<u>\$ 4,403,800</u>	<u>\$ 6,454,399</u>	<u>\$ (5,199,110)</u>	<u>\$ (282,556)</u>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 12,361,189	\$ 12,889,137	\$ 13,585,210	\$ 13,678,892	\$ 13,777,859	\$ 14,271,786	\$ 14,874,881	\$ 14,812,158	\$ 15,045,728	\$ 16,206,132
Special education	3,587,291	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935	5,031,505	4,930,017
Other instruction	1,128,614	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920	1,514,060	1,438,235
Support Services:										
Tuition	1,745,432	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482	2,478,924	2,280,685
Student & instruction related services	4,148,865	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726	5,803,141	6,559,176
School administrative services	1,432,907	1,630,873	1,567,995	1,536,975	1,523,544	1,536,303	1,446,260	1,538,027	1,525,236	1,519,091
General and business administrative services	1,407,930	1,390,571	1,491,862	1,461,655	1,334,095	1,333,872	1,258,288	1,273,087	1,377,562	1,501,593
Plant operations and maintenance	3,629,140	4,465,667	4,253,137	3,450,635	5,640,717	8,265,197	4,128,216	4,904,280	22,004,120	6,079,576
Pupil transportation	2,665,982	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489	1,794,948	2,051,809
Business and other support services										
Unallocated employee benefits	8,211,029	9,534,225	9,802,155	11,000,704	12,469,191	13,951,781	27,578,154	24,849,063	23,433,200	30,405,300
Special schools										
Charter schools							52,612	19,535	20,421	56,192
Interest on long-term debt	1,321,345	1,291,209	1,236,235	1,156,126	959,055	794,684	754,274	699,256	614,423	608,066
Unallocated depreciation	65,478	6,910	42,481	46,777	25,715	76,834	37,704	38,018	9,993	45,150
Total governmental activities expenses	<u>41,705,202</u>	<u>45,176,371</u>	<u>46,362,786</u>	<u>47,419,876</u>	<u>51,086,566</u>	<u>55,606,534</u>	<u>66,201,424</u>	<u>65,469,976</u>	<u>80,653,261</u>	<u>73,681,022</u>
Business-type activities:										
Food service	1,015,497	1,070,224	1,094,819	1,350,480	1,275,494	1,208,353	1,277,048	1,203,391	1,256,245	875,881
Total business-type activities expense	<u>1,015,497</u>	<u>1,070,224</u>	<u>1,094,819</u>	<u>1,350,480</u>	<u>1,275,494</u>	<u>1,208,353</u>	<u>1,277,048</u>	<u>1,203,391</u>	<u>1,256,245</u>	<u>875,881</u>
Total district expenses	<u>\$ 42,720,699</u>	<u>\$ 46,246,595</u>	<u>\$ 47,457,605</u>	<u>\$ 48,770,356</u>	<u>\$ 52,362,060</u>	<u>\$ 56,814,887</u>	<u>\$ 67,478,472</u>	<u>\$ 66,673,367</u>	<u>\$ 81,909,506</u>	<u>\$ 74,556,903</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 4,655,117	\$ 4,777,516	\$ 5,020,135	\$ 5,459,573	\$ 7,183,901	\$ 6,581,335	\$ 21,855,915	\$ 18,959,751	\$ 17,567,684	\$ 24,429,197
Charges for services									128,292	128,292
Total governmental activities program revenues	<u>4,655,117</u>	<u>4,777,516</u>	<u>5,020,135</u>	<u>5,459,573</u>	<u>7,183,901</u>	<u>6,581,335</u>	<u>21,855,915</u>	<u>18,959,751</u>	<u>17,567,684</u>	<u>24,557,489</u>

(Continued)

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Food service	\$ 703,921	\$ 668,896	\$ 703,279	\$ 718,271	\$ 753,121	\$ 766,428	\$ 755,057	\$ 760,328	\$ 528,188	\$ 18,405
Operating grants and contributions	324,993	417,918	478,165	508,483	546,300	558,267	550,334	528,372	585,053	715,299
Capital grants and contributions										
Total business type activities program revenues	<u>1,028,914</u>	<u>1,086,814</u>	<u>1,181,444</u>	<u>1,226,754</u>	<u>1,299,421</u>	<u>1,324,695</u>	<u>1,305,391</u>	<u>1,288,700</u>	<u>1,113,241</u>	<u>733,704</u>
Total district program revenues	<u>\$ 5,684,031</u>	<u>\$ 5,864,330</u>	<u>\$ 6,201,579</u>	<u>\$ 6,686,327</u>	<u>\$ 8,483,322</u>	<u>\$ 7,906,030</u>	<u>\$ 23,161,306</u>	<u>\$ 20,248,451</u>	<u>\$ 18,680,925</u>	<u>\$ 25,291,193</u>
Net (Expense)/Revenue:										
Governmental activities	(37,050,085)	(40,398,855)	(41,342,651)	(41,960,303)	(43,902,665)	(49,025,199)	(44,345,509)	(46,510,225)	(63,085,577)	(49,123,533)
Business-type activities	13,417	16,590	86,625	(123,726)	23,927	116,342	28,343	85,309	(143,004)	(142,177)
Total district-wide net expense	<u>(37,036,668)</u>	<u>(40,382,265)</u>	<u>(41,256,026)</u>	<u>(42,084,029)</u>	<u>(43,878,738)</u>	<u>(48,908,857)</u>	<u>(44,317,166)</u>	<u>(46,424,916)</u>	<u>(63,228,581)</u>	<u>(49,265,710)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	25,383,164	26,290,827	26,816,644	28,374,222	29,341,706	30,804,368	31,420,455	32,048,864	32,689,841	33,343,638
Taxes levied for debt service	1,864,473	1,942,891	2,090,932	2,051,483	2,054,177	2,075,461	1,965,232	1,849,788	1,962,551	1,962,296
Unrestricted grants and contributions	11,330,345	12,240,166	11,949,588	12,121,250	11,964,625	12,126,123	12,631,641	14,095,659	16,492,207	18,177,230
Investment earnings	45,436	103,035	104,203	-	-	-	-	-	-	-
Miscellaneous income	215,820	767,136	114,363	184,528	256,487	357,842	218,952	481,204	430,473	265,176
Transfers										
Total governmental activities	<u>38,839,238</u>	<u>41,344,055</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,616,995</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>	<u>51,575,072</u>	<u>53,748,340</u>
Business-type activities:										
Investment earnings	2,110	392	-	-	-	-	-	-	-	-
Contributed capital	-	-	-	-	60,936	-	-	-	-	-
Total business-type activities	<u>2,110</u>	<u>392</u>	<u>-</u>	<u>-</u>	<u>60,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 38,841,348</u>	<u>\$ 41,344,447</u>	<u>\$ 41,075,730</u>	<u>\$ 42,731,483</u>	<u>\$ 43,677,931</u>	<u>\$ 45,363,794</u>	<u>\$ 46,236,280</u>	<u>\$ 48,475,515</u>	<u>\$ 51,575,072</u>	<u>\$ 53,748,340</u>
Change in Net Position:										
Governmental activities	\$ 1,789,153	\$ 945,200	\$ (266,921)	\$ 771,180	\$ (285,670)	\$ (3,661,405)	\$ 1,890,771	\$ 1,965,290	\$ (11,510,505)	\$ 4,624,807
Business-type activities	15,527	16,982	86,625	(123,726)	84,863	116,342	28,343	85,309	(143,004)	(142,177)
Total district-wide	<u>\$ 1,804,680</u>	<u>\$ 962,182</u>	<u>\$ (180,296)</u>	<u>\$ 647,454</u>	<u>\$ (200,807)</u>	<u>\$ (3,545,063)</u>	<u>\$ 1,919,114</u>	<u>\$ 2,050,599</u>	<u>\$ (11,653,509)</u>	<u>\$ 4,482,630</u>

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Reserved for:										
Encumbrances	\$ 105,738	\$ 214,577	\$ 72,938	\$ 4,487	\$ 53,169	\$ 38,254	\$ 267,653	\$ 115,239	\$ 1,850,017	\$ -
Maintenance reserve	300,000	300,000	156,325	156,325	156,325	156,325	457,232	859,884	1,860,190	2,156,856
Capital reserve	1,847,731	1,551,146	1,102,219	1,257,888	518,594	1,318,594	2,326,242	3,148,341	3,346,412	7,296,630
Unemployment compensation										78,849
Legally restricted	400,000	909,015	621,248	701,580	675,000	675,000	333,991	708,044	783,967	703,149
Excess surplus	2,660,571	2,367,312	1,979,210	1,475,606	1,288,689	1,476,805	1,395,373	743,547	703,149	
Designated for subsequent year's expenditures										276,834
Unreserved	(33,044)	62,240	161,861	196,045	125,651	165,748	(165,137)	(272,245)	(172,464)	1,312,861
Total general fund	<u>\$ 5,280,996</u>	<u>\$ 5,404,290</u>	<u>\$ 4,093,801</u>	<u>\$ 3,791,931</u>	<u>\$ 2,817,428</u>	<u>\$ 3,830,726</u>	<u>\$ 4,615,354</u>	<u>\$ 5,302,810</u>	<u>\$ 8,371,271</u>	<u>\$ 11,825,179</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 532,688	\$ 119,180	\$ 15,165	\$ -	\$ -	\$ 47,348	\$ -	\$ -	\$ -	\$ -
Debt service reserve										
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	353,945
Capital projects fund	127,080	23,864	73,405	73,405	526,057	478,709	526,057	506,102	506,102	506,102
Debt service fund	184,770	16,772	498	1	38,111	165,581	129,961	6,571	4,080	-
Total all other governmental funds	<u>\$ 844,538</u>	<u>\$ 159,816</u>	<u>\$ 89,068</u>	<u>\$ 73,406</u>	<u>\$ 564,168</u>	<u>\$ 691,638</u>	<u>\$ 656,018</u>	<u>\$ 512,673</u>	<u>\$ 510,182</u>	<u>\$ 860,047</u>

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

Exhibit J-4

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 27,247,637	\$ 28,233,718	\$ 28,907,576	\$ 30,425,705	\$ 31,395,883	\$ 32,879,829	\$ 33,385,687	\$ 33,898,652	\$ 34,652,392	\$ 35,305,934
Tuition charges	45,436	103,035	104,203	85,960	119,734	111,891	39,298	60,249	110,696	128,292
Interest earnings	57,426	1,983	-	5,669	4,397	6,285	2,491	19,545	-	-
Miscellaneous	170,106	773,798	117,054	92,899	147,114	254,251	249,231	401,410	889,615	265,176
Local sources										509,532
State sources	14,430,812	16,004,392	15,793,662	16,465,984	17,909,513	17,596,690	18,717,152	21,495,363	23,547,446	26,689,194
Federal sources	1,542,938	1,010,364	1,173,370	1,114,839	1,224,255	1,096,183	1,118,437	1,205,859	1,333,880	1,508,729
Total revenue	43,494,355	46,127,290	46,095,865	48,191,056	50,800,896	51,945,129	53,512,296	57,081,078	60,534,029	64,406,857
Expenditures										
Instruction										
Regular Instruction	11,896,904	12,259,661	12,877,848	13,026,318	13,151,593	13,732,319	14,299,393	14,296,065	14,905,664	16,064,848
Special education instruction	3,587,291	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935	5,031,505	4,930,017
Other instruction	1,128,614	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920	1,514,060	1,438,235
Support Services:										
Tuition	1,745,432	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482	2,478,924	2,280,685
Student & instruction related services	4,148,865	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726	5,803,141	6,559,176
School administrative services	1,407,930	1,533,690	1,567,995	1,536,975	1,523,544	1,457,422	1,446,260	1,538,027	1,525,236	1,519,091
General and business admin.services	1,358,437	1,390,571	1,396,782	1,368,100	1,247,661	1,333,872	1,182,879	1,197,051	1,245,430	1,368,895
Plant operations and maintenance	3,300,342	3,972,164	4,180,860	3,989,204	3,690,640	3,878,332	3,902,715	4,006,103	4,179,560	4,361,806
Pupil transportation	2,665,982	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489	1,794,948	2,051,809
Employee benefits	8,211,029	9,534,225	9,802,155	10,931,521	12,204,931	12,596,330	12,679,018	14,427,659	14,860,488	16,770,403
Charter School							52,612	19,535	20,421	56,192
Capital outlay	7,586,870	1,725,450	1,016,984	269,700	1,990,319	4,629,319	845,175	1,748,265	1,765,888	1,291,157
Debt service:										
Principal	1,344,788	1,301,769	1,354,515	1,330,000	1,385,000	1,720,000	1,595,000	1,655,000	1,700,000	1,765,000
Interest and other charges	1,249,154	1,291,209	1,236,234	1,181,170	1,276,516	640,690	768,094	703,794	642,794	579,694
Total expenditures	49,631,638	46,976,518	47,817,084	48,721,100	51,826,594	55,364,361	52,842,181	56,928,051	57,468,059	61,037,008
Excess (Deficiency) of revenues over (under) expenditures	(6,137,283)	(849,228)	(1,721,219)	(530,044)	(1,025,698)	(3,419,232)	670,115	153,027	3,065,970	3,369,849
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	24,609,674	4,560,000	-	-	-	-
Payment to escrow agent	-	-	-	-	(24,428,603)	-	-	-	-	-
Capital leases	-	287,800	339,982	212,512	360,886	-	78,893	391,084	-	-
Transfers in	16,271	495	-	-	1,039,294	-	2,491	4,080	-	-
Transfers out	(16,271)	(495)	-	-	(1,039,294)	-	(2,491)	(4,080)	-	-
Total other financing sources (uses)	-	287,800	339,982	212,512	541,957	4,560,000	78,893	391,084	-	-
Net change in fund balances	\$ (6,137,283)	\$ (561,428)	\$ (1,381,237)	\$ (317,532)	\$ (483,741)	\$ 1,140,768	\$ 749,008	\$ 544,111	\$ 3,065,970	\$ 3,369,849
Debt service as a percentage of noncapital expenditures	6.17%	5.73%	5.54%	5.18%	5.34%	4.65%	4.54%	4.27%	4.21%	3.92%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Other</u> <u>Refunds</u>	<u>Shared</u> <u>Services</u>	<u>Sale of Used</u> <u>Equipment</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 35,355	\$ 45,436	\$ 30,863	\$ 73,824	\$ 30,352	\$ 17,256	\$ -	\$ -	\$ 6,099	\$ 239,185
2013	9,006	103,035	94,364	616,259	26,157	19,020			1,835	869,676
2014	6,315	104,203	14,286	44,135	10,012	18,240	15,000		6,375	218,566
2015	5,669	85,960	22,808	6,271	15,859	14,859	4,167	6,772	22,163	184,528
2016	4,397	119,734		7,430	20,338	93,338		2,359	798	248,394
2017	6,285	111,891	31,791	38,204	32,105	103,725		21,685	3,306	348,992
2018	16,642	39,298		45,282	55,354	48,311		11,061	863	216,811
2019	19,545	60,249		9,060	18,875	3,080			26,528	137,337
2020	38,828	110,696	18,515	18,393	21,276	215,345		5,911	1,509	430,473
2021	13,195	128,292		5,664		227,567			10,902	385,620
	<u>\$ 142,042</u>	<u>\$ 780,502</u>	<u>\$ 212,627</u>	<u>\$ 858,858</u>	<u>\$ 230,328</u>	<u>\$ 760,741</u>	<u>\$ 19,167</u>	<u>\$ 47,788</u>	<u>\$ 69,476</u>	<u>\$ 2,893,962</u>

Source: District records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2012	\$ 8,652,500	\$ 1,077,936,200	\$ 2,079,700	\$ 176,400	\$ 170,578,392	\$ 93,005,700	\$ 54,979,400	\$ 1,407,408,292	\$ 2,167,078	\$ 1,409,575,370	\$ 94,024,900	\$ 1.954	\$ 1,676,731,931
2013	8,661,300	1,078,760,400	2,079,700	176,400	170,339,392	91,643,700	54,979,400	1,406,640,292	1,793,488	1,408,433,780	92,892,800	2.042	1,595,150,639
2014	8,788,000	1,077,322,500	2,101,800	165,100	169,197,092	88,908,700	55,459,400	1,401,942,592	1,428,041	1,403,370,633	101,459,700	2.113	1,556,849,076
2015	8,788,000	1,077,316,900	2,101,800	165,100	169,007,792	86,908,700	55,459,400	1,399,747,692	100	1,399,747,792	101,847,100	2.209	1,538,686,754
2016	13,182,000	1,077,929,700	1,358,000	63,600	168,505,292	84,813,300	55,669,400	1,401,521,292	94	1,401,521,386	102,348,400	2.294	1,501,077,722
2017	13,413,500	1,078,777,900	992,100	50,300	177,038,792	81,554,500	55,699,400	1,407,526,492	94	1,407,526,586	102,106,800	2.353	1,482,302,876
2018	12,164,300	1,084,555,700	776,600	46,300	176,468,292	81,554,500	56,089,400	1,411,655,092	90	1,411,655,182	102,779,100	2.383	1,575,402,048
2019	9,678,200	1,090,558,700	776,600	46,300	177,248,692	81,054,500	56,284,400	1,415,647,392	90	1,415,647,482	104,504,300	2.422	1,600,293,008
2020	11,132,400	1,095,433,100	410,400	36,800	181,430,000	80,554,500	56,284,400	1,425,281,600	90	1,425,281,690	105,501,700	2.454	1,648,121,796
2021	13,633,200	1,096,512,300	410,400	36,500	180,196,900	80,554,500	56,284,400	1,427,628,200	87	1,427,628,287	105,544,800	2.474	1,640,349,905

Source: Municipal Tax Assessor

Note:

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Information not available.

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

Exhibit J-7

Fiscal Year Ended June 30,	Delran School District Direct Rate			Overlapping Rates		Municipal Open Space	Fire District	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Delran	Burlington County			
2012	\$ 1.819	\$ 0.135	\$ 1.954	\$ 0.744	\$ 0.452	\$ 0.023	\$ 0.127	\$ 3.300
2013	1.899	0.143	2.042	0.756	0.431	0.023	0.134	3.386
2014	1.966	0.147	2.113	0.756	0.425	0.023	0.133	3.450
2015	2.062	0.147	2.209	0.765	0.455	0.023	0.155	3.607
2016	2.147	0.147	2.294	0.764	0.437	0.023	0.150	3.668
2017	2.209	0.144	2.353	0.761	0.429	0.023	0.157	3.723
2018	2.248	0.135	2.383	0.772	0.447	0.023	0.158	3.783
2019	2.287	0.135	2.422	0.791	0.451	0.022	0.161	3.847
2020	2.317	0.137	2.454	0.790	0.458	0.022	0.159	3.883
2021	2.337	0.137	2.474	0.790	0.448	0.022	0.157	3.891

Source: Municipal Tax Collector

Note:

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

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

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

Exhibit J-8

Taxpayer	2021		Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 40,353,300	2.83%	Berk & Berk Hunter's Glen	\$ 49,325,700	2.94%
New Jersey American Water Co.	25,421,800	1.78%	New Jersey American Water Co.	28,421,800	1.70%
Hartford Corners	24,359,800	1.71%	Whitesell Enterprises	27,843,100	1.66%
Simon & Schuster	20,900,000	1.46%	Hartford Corners	23,391,000	1.40%
Tenby Chase Investors, LLC	16,460,400	1.15%	Tenby Chase Investors, LLC	16,460,400	0.98%
GDT	10,500,000	0.74%	Simon & Shuster	14,358,700	0.86%
Target	9,598,900	0.67%	Amcors Rigid Plastics	14,326,000	0.85%
Lowe's Home Centers, Inc.	9,096,200	0.64%	Target	9,598,900	0.57%
Lowes	8,235,600	0.58%	Lowes	9,096,200	0.54%
Millside Plaza	7,729,400	0.54%	KIOP Delran	7,729,400	0.46%
Total	\$ 172,655,400	12.09%	Total	\$ 200,551,200	11.96%

Source: Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 27,061,508	\$ 27,061,508	100.00%	-
2013	28,233,718	28,233,718	100.00%	-
2014	28,907,576	28,907,576	100.00%	-
2015	30,425,705	30,425,705	100.00%	-
2016	31,395,883	31,395,883	100.00%	-
2017	32,879,829	32,879,829	100.00%	-
2018	33,385,687	33,385,687	100.00%	-
2019	33,898,652	33,898,652	100.00%	-
2020	34,652,392	34,652,392	100.00%	-
2021	35,305,934	35,305,934	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Capital Leases	EDA Loans	Capital Leases				
2012	\$ 31,443,000	\$ 104,872	\$ 156,283	\$ -	\$ 31,704,155	3.67%	\$ 1,874	
2013	30,218,000	79,189	79,514	-	30,376,703	3.50%	1,806	
2014	28,943,000	418,281	-	-	29,361,281	3.25%	1,748	
2015	27,613,000	458,875	-	-	28,071,875	2.99%	1,681	
2016	27,105,000	620,194	-	-	27,725,194	2.89%	1,673	
2017	25,385,000	4,934,594	-	-	30,319,594	3.09%	1,834	
2018	23,790,000	4,418,425	-	-	28,208,425	2.79%	1,708	
2019	22,135,000	4,155,674	-	-	26,290,674	2.50%	1,592	
2020	20,435,000	3,809,880	-	-	24,244,880	c	1,472	
2021	18,670,000	3,455,812	-	-	22,125,812	c	c	

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

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

Delran Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	\$ 31,443,000	\$ -	\$ 31,443,000	2.23%	\$ 1,859
2013	30,218,000	-	30,218,000	2.15%	1,797
2014	28,943,000	-	28,943,000	2.06%	1,723
2015	27,613,000	-	27,613,000	1.97%	1,654
2016	27,105,000	-	27,105,000	1.93%	1,636
2017	25,385,000	-	25,385,000	1.80%	1,536
2018	23,790,000	-	23,790,000	1.69%	1,441
2019	22,135,000	-	22,135,000	1.56%	1,340
2020	20,435,000	-	20,435,000	1.43%	1,240
2021	18,670,000	-	18,670,000	1.31%	c

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

a See Exhibit J-6 for property tax data.

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

c Information not available.

**Delran Township School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2020**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 16,037,954	100.000%	\$ 16,037,954
Burlington County General Obligation Debt	202,410,342	3.331%	6,742,288
			<hr/>
Subtotal, overlapping debt			22,780,242
Delran Township School District Direct Debt			<hr/> 18,980,000
Total direct and overlapping debt			<hr/> \$ 41,760,242 <hr/>

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis	
	2018	\$ 1,590,059,802
	2019	1,631,306,052
	2020	1,631,877,261
	[A]	<u>\$ 4,853,243,115</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,617,747,705
Debt limit (4% of average equalized valuation)	[B]	64,709,908 ^a
Net bonded school debt	[C]	18,670,000
Legal debt margin	[B-C]	<u>\$ 46,039,908</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 70,327,689	\$ 67,043,440	\$ 64,058,599	\$ 62,349,753	\$ 61,096,160	\$ 59,979,326	\$ 60,385,300	\$ 61,676,451	\$ 63,822,341	\$ 64,709,908
Total net debt applicable to limit	<u>31,443,000</u>	<u>30,218,000</u>	<u>28,943,000</u>	<u>27,613,000</u>	<u>27,105,000</u>	<u>25,385,000</u>	<u>23,790,000</u>	<u>22,135,000</u>	<u>20,435,000</u>	<u>18,670,000</u>
Legal debt margin	<u>\$ 38,884,689</u>	<u>\$ 36,825,440</u>	<u>\$ 35,115,599</u>	<u>\$ 34,736,753</u>	<u>\$ 33,991,160</u>	<u>\$ 34,594,326</u>	<u>\$ 36,595,300</u>	<u>\$ 39,541,451</u>	<u>\$ 43,387,341</u>	<u>\$ 46,039,908</u>
Total net debt applicable to the limit as a percentage of debt limit	44.71%	45.07%	45.18%	44.29%	44.36%	42.32%	39.40%	35.89%	32.02%	28.85%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2012	16,914	\$ 864,406,884	\$ 51,106	7.2%
2013	16,819	868,449,065	51,635	8.2%
2014	16,799	903,282,230	53,770	5.4%
2015	16,698	939,713,346	56,277	4.1%
2016	16,572	960,363,972	57,951	3.9%
2017	16,529	982,351,528	59,432	3.6%
2018	16,515	1,011,444,660	61,244	3.5%
2019	16,513	1,050,309,365	63,605	3.0%
2020	16,476	e	e	7.7%
2021	e	e	e	e

Source:

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

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

Exhibit J-16

	Fiscal Year Ending June 30,									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	196	196	205	208	211	214	222	222	225	228
Special education	31	31	34	40	41	43	43	43	43	45
Other special education	12	13	13	10	10	10	9	9	13	16
Support Services:										
Student & instruction related services	74	76	80	80	76	79	81	81	81	81
School administrative services	17	17	17	20	20	20	20	20	20	20
General and business administrative services	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	12	12	12	12	12	12	11	11	11	11
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	9	9	9	9	8	9	9	9	8	9
Total	356	359	375	384	383	392	400	400	406	415

Source: District Personnel Records

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	Senior High School				
2012	2,938	\$ 39,450,826	\$ 13,428	1.10%	239	1:16	1:14	1:11	1:11	2,893	2,812	-0.72%	97.20%
2013	2,887	42,658,090	14,776	10.04%	240	1:16	1:14	1:11	1:11	2,838	2,754	-1.90%	97.04%
2014	2,950	44,209,351	14,986	1.42%	252	1:16	1:14	1:11	1:11	2,956	2,826	4.16%	95.60%
2015	2,980	45,940,230	15,416	2.87%	258	1:16	1:14	1:11	1:11	2,979	2,840	0.78%	95.33%
2016	3,018	47,174,159	15,631	1.39%	262	1:16	1:14	1:11	1:11	3,020	2,888	1.38%	95.63%
2017	2,986	48,374,352	16,200	3.64%	267	1:16	1:14	1:11	1:11	2,982	2,841	-1.26%	95.27%
2018	2,937	49,633,912	16,900	4.32%	274	1:16	1:14	1:11	1:11	2,946	2,811	-1.21%	95.42%
2019	2,961	52,820,992	17,839	5.56%	274	1:16	1:14	1:11	1:11	2,960	2,843	0.48%	96.05%
2020	2,981	53,359,377	17,900	0.34%	281	1:16	1:14	1:11	1:11	2,984	2,897	0.81%	97.08%
2021	2,959	57,401,157	19,399	8.37%	289	1:16	1:14	1:11	1:11	2,894	2,795	-3.02%	96.58%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

Exhibit J-18

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
Elementary										
Delran High School (1975)										
Square Feet	147,355	158,436	158,436	158,436	158,436	158,436	158,436	158,436	158,436	158,436
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	867	819	842	851	884	890	879	915	891	931
Delran Middle School (1960)										
Square Feet	87,800	100,851	100,851	100,851	100,851	100,851	100,851	100,851	100,851	100,851
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	672	691	690	691	723	714	734	692	695	704
Delran Intermediate School (1996)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	745	745	745	745	745	745	745	745	745	745
Enrollment	668	694	689	695	660	704	682	695	667	656
Millbridge Elementary School (1970)										
Square Feet	74,074	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	945	945	945	945	945	945	945	945	945	945
Enrollment	686	634	735	741	753	674	651	658	645	603

Number of Schools at June 30, 2021

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

Source: District Facilities Office

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

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

Exhibit J-19

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

Fiscal Year Ending June 30,

* School Facilities	Project #	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Delran School District												
Millbridge School	N/A	\$ 139,392	\$ 225,170	\$ 255,682	\$ 203,415	\$ 180,695	\$ 191,295	\$ 193,469	\$ 168,971	\$ 191,765	\$ 274,723	\$ 2,024,577
Intermediate School	N/A	118,483	191,395	217,330	172,902	153,591	162,601	164,449	143,625	163,000	233,514	1,720,890
Middle School	N/A	167,270	270,204	306,818	244,098	216,834	229,554	232,163	202,765	230,118	329,667	2,429,491
High School	N/A	271,815	439,081	498,580	396,658	352,356	373,026	377,264	329,494	373,940	535,710	3,947,924
Total School Facilities		<u>\$ 696,960</u>	<u>\$ 1,125,850</u>	<u>\$ 1,278,410</u>	<u>\$ 1,017,073</u>	<u>\$ 903,476</u>	<u>\$ 956,476</u>	<u>\$ 967,345</u>	<u>\$ 844,855</u>	<u>\$ 958,823</u>	<u>\$ 1,373,614</u>	<u>\$ 10,122,882</u>

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

Source: District records

**Delran Township School District
Insurance Schedule
June 30, 2021**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Company		
Commercial Package:		
Building and Contents	\$ 1,147,191,654	\$ 1,000
School Board Legal Liability	1,000,000	10,000
Commercial Crime/ Blanket Employee Dishonesty	400,000	\$250 per occurrence
Umbrella Declarations	15,000,000	10,000
Excess Starstone National Insurance	15,000,000	
Markel American Insurance	15,000,000	
Worker's Compensation - New Jersey School Insurance Group	3,000,000	
Student Accident Insurance - US Fire Insurance Company	6,000,000	
Student Accident Base - Arch Insurance Company	500,000	
Surety Bond Coverage's - RLI Insurance Co.		
School Business Administrator	350,000	

Source: District records

Single Audit Section

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
January 28, 2022

INVERSO & STEWART, LLC
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I have audited Delran Township School District's (School District), in the County of Burlington, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In my opinion, the Delran Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance, which are required to be reported under State of New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2021-001. My opinion on the major state program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

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

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

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
January 28, 2022

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2020			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2021		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education																
<u>General Fund:</u>																
Medical Assistance Program - (SEMI)	93.778	2005NJ5MAP	N/A	\$ 58,904	7/1/20 - 6/30/21	\$ -	\$ -	\$ -	\$ -	\$ 58,904	\$ (58,904)	\$ -	\$ -	\$ -	\$ -	
CARES Program - (SEMI)	93.778	2005NJ5MAP	N/A	44,870	7/1/20 - 6/30/21	-	-	-	-	2,685	(2,685)	-	-	-	-	
Total General Fund						-	-	-	-	61,589	(61,589)	-	-	-	-	
U.S. Department of Education																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I - Current Year	84.010A	S010A200030	ESSA-1060-21	385,718	7/1/20 - 9/30/21					284,796	(341,185)			(56,389)		
Title I - Prior Year	84.010A	S010A190030	ESSA-1060-20	385,259	7/1/19 - 9/30/20	(79,931)				116,521	(36,590)			-		
Title IIA - Current Year	84.367A	S367A200029	ESSA-1060-21	71,266	7/1/20 - 9/30/21					35,286	(43,261)			(7,975)		
Title IIA - Prior Year	84.367A	S367A190029	ESSA-1060-20	57,512	7/1/19 - 9/30/20	(13,764)				13,764				-		
Title III - Current Year	84.365A	S365A200030	ESSA-1060-21	88,774	7/1/20 - 9/30/21					35,688	(49,563)			(13,875)		
Title III - Prior Year	84.365A	S365A190030	ESSA-1060-20	76,924	7/1/19 - 9/30/20	(9,291)				21,239	(11,948)			-		
Title III - Current Year - Immigrant	84.365A	S365A200030	ESSA-1060-21	18,592	7/1/20 - 9/30/21					3,952	(5,099)			(1,147)		
Title III - Prior Year - Immigrant	84.365A	S365A190030	ESSA-1060-20	13,980	7/1/19 - 9/30/20	(1,065)				1,065				-		
Title IV - Current Year	84.424	S424A200031	ESSA-1060-21	42,559	7/1/20 - 9/30/21					17,855	(23,894)			(6,039)		
Title IV - Prior Year	84.424	S424A190031	ESSA-1060-20	29,390	7/1/19 - 9/30/20	(5,587)				10,039	(4,452)			-		
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																
Part B - Basic - Current Year	84.027	H027A200100	IDEA-1060-21	696,490	7/1/20 - 9/30/21					637,323	(696,490)			(59,167)		
Part B - Preschool - Current Year	84.173	H173A200114	IDEA-1060-21	23,795	7/1/20 - 9/30/21					21,074	(21,074)			-		
<u>CARES Act</u>	84.425D	S425D200027	N/A	321,920	3/13/20 - 9/30/22	(216,764)				235,458	(27,703)			(9,009)		
<u>Coronavirus Relief</u>	84.425D	S425D200027	N/A	174,197	3/13/20 - 9/30/22					174,197	(173,708)			-	489	
<u>Digital Divide</u>	84.377D	S377A130031	N/A	12,181	7/16/20 - 10/31/20					12,122	(12,173)			(51)		
Total Special Revenue Fund						(326,402)	-	-	-	1,620,379	(1,447,140)	-	-	(153,652)	489	
U.S. Department of Agriculture																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.555	211NJ304N1099	N/A	80,049	7/1/20 - 6/30/21					80,049	(80,049)					
National School Lunch Program	10.555	211NJ304N1099	N/A	430,484	7/1/20 - 6/30/21					368,024	(430,484)			(62,460)		
National School Lunch Program	10.555	201NJ304N1099	N/A	356,811	7/1/19 - 6/30/20	(21,489)				21,489				-		
School Breakfast Program	10.553	211NJ304N1099	N/A	139,594	7/1/20 - 6/30/21					125,753	(139,594)			(13,841)		
School Breakfast Program	10.553	201NJ304N1099	N/A	133,023	7/1/19 - 6/30/20	(11,362)				11,362				-		
After School Snack	10.555	211NJ304N1099	N/A	39,815	7/1/20 - 6/30/21					27,197	(39,815)			(12,618)		
Total Enterprise Fund						(32,851)	-	-	-	633,874	(689,942)	-	-	(88,919)	-	
Total Federal Awards						\$ (359,253)	\$ -	\$ -	\$ -	\$ 2,315,842	\$ (2,198,671)	\$ -	\$ -	\$ (242,571)	\$ 489	

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

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2021

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2020			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2021										
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at								
State Department of Education																						
<u>General Fund:</u>																						
Equalization Aid	21-495-034-5120-078	\$ 12,848,468	7/1/20 - 6/30/21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,650,045	\$ (12,848,468)	\$ -	\$ (1,198,423)	\$ -	\$ -								
Equalization Aid	20-495-034-5120-078	12,070,183	7/1/19 - 6/30/20	(1,140,885)	-	-	-	-	1,140,885	-	-	-	-									
Transportation Aid	21-495-034-5120-014	516,610	7/1/20 - 6/30/21	-	-	-	-	-	468,424	(516,610)	-	(48,186)	-									
Transportation Aid	20-495-034-5120-014	516,610	7/1/19 - 6/30/20	(48,830)	-	-	-	-	48,830	-	-	-	-									
Special Education Categorical Aid	21-495-034-5120-089	2,561,908	7/1/20 - 6/30/21	-	-	-	-	-	2,322,949	(2,561,908)	-	(238,959)	-									
Special Education Categorical Aid	20-495-034-5120-089	2,561,908	7/1/19 - 6/30/20	(242,154)	-	-	-	-	242,154	-	-	-	-									
Security Aid	21-495-034-5120-084	418,930	7/1/20 - 6/30/21	-	-	-	-	-	379,855	(418,930)	-	(39,075)	-									
Security Aid	20-495-034-5120-084	418,930	7/1/19 - 6/30/20	(39,598)	-	-	-	-	39,598	-	-	-	-									
Extraordinary Aid	21-495-034-5120-044	1,428,053	7/1/20 - 6/30/21	-	-	-	-	-	-	(1,428,053)	-	(1,428,053)	-									
Extraordinary Aid	20-495-034-5120-044	650,677	7/1/19 - 6/30/20	(650,677)	-	-	-	-	650,677	-	-	-	-									
Additional Nonpublic Transportation Aid	21-04103190	16,530	7/1/20 - 6/30/21	-	-	-	-	-	-	(16,530)	-	(16,530)	-									
On Behalf TPAF - Pension	21-495-034-5094-002	5,285,092	7/1/20 - 6/30/21	-	-	-	-	-	5,285,092	(5,285,092)	-	-	-									
On Behalf TPAF - Post Retirement Medical	21-495-034-5094-001	1,656,266	7/1/20 - 6/30/21	-	-	-	-	-	1,656,266	(1,656,266)	-	-	-									
On Behalf TPAF - Pension LTDI	21-495-034-5094-004	2,928	7/1/20 - 6/30/21	-	-	-	-	-	2,928	(2,928)	-	-	-									
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	1,504,618	7/1/20 - 6/30/21	(72,561)	-	-	-	-	1,504,618	(1,508,274)	-	(76,217)	-									
Total General Fund				<u>(2,194,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,392,321</u>	<u>(26,243,059)</u>	<u>-</u>	<u>(3,045,443)</u>	<u>-</u>									
<u>Special Revenue Fund</u>																						
<u>N.J. Nonpublic Aid:</u>																						
Textbook Aid	21-100-034-5120-064	17,105	7/1/20 - 6/30/21	-	-	-	-	-	17,105	(17,070)	-	-	35									
Textbook Aid	20-100-034-5120-064	15,550	7/1/19 - 6/30/20	-	-	4,773	-	-	-	-	4,773	-	-									
Nursing Aid	21-100-034-5120-070	30,090	7/1/20 - 6/30/21	-	-	-	-	-	30,090	(30,090)	-	-	-									
Nursing Aid	20-100-034-5120-070	29,003	7/1/19 - 6/30/20	-	-	11,978	-	-	-	-	11,978	-	-									
Technology Initiative	20-100-034-5120-373	10,620	7/1/19 - 6/30/20	-	-	142	-	-	-	-	142	-	-									
Security Aid	21-100-034-5120-509	51,625	7/1/20 - 6/30/21	-	-	-	-	-	51,625	(50,442)	-	-	1,183									
Security Aid	20-100-034-5120-509	44,850	7/1/19 - 6/30/20	-	-	501	-	-	-	-	501	-	-									
<u>Auxiliary Services:</u>																						
Compensatory Education	21-100-034-5120-067	17,418	7/1/20 - 6/30/21	-	-	-	-	-	17,418	(5,051)	-	-	12,367									
Compensatory Education	20-100-034-5120-067	51,105	7/1/19 - 6/30/20	(5,204)	-	47,284	-	-	5,204	-	47,284	-	-									
English as a Second Language	20-100-034-5120-067	5,791	7/1/19 - 6/30/20	(590)	-	5,791	-	-	590	-	5,791	-	-									
Home Instruction	20-100-034-5120-067	1,838	7/1/19 - 6/30/20	(1,838)	-	-	-	-	1,838	-	-	-	-									
<u>Handicapped Services:</u>																						
Examination & Classification	21-100-034-5120-066	16,174	7/1/20 - 6/30/21	-	-	-	-	-	16,174	(8,930)	-	-	7,244									
Examination & Classification	20-100-034-5120-066	23,797	7/1/19 - 6/30/20	(2,424)	-	9,768	-	-	2,424	-	9,768	-	-									
Corrective Speech	21-100-034-5120-066	1,823	7/1/20 - 6/30/21	-	-	-	-	-	1,823	(911)	-	-	912									
Supplemental Instruction	21-100-034-5120-066	8,580	7/1/20 - 6/30/21	-	-	-	-	-	8,580	(8,499)	-	-	81									
Supplemental Instruction	20-100-034-5120-066	9,228	7/1/19 - 6/30/20	(939)	-	3,572	-	-	939	-	3,572	-	-									
Total Special Revenue Fund				<u>(10,995)</u>	<u>-</u>	<u>83,809</u>	<u>-</u>	<u>-</u>	<u>153,810</u>	<u>(120,993)</u>	<u>83,809</u>	<u>-</u>	<u>21,822</u>									
New Jersey School Development Authority																						
<u>Capital Projects Fund</u>																						
Middle School Roof Replacement	1060-007-14-1002	\$ 948,028	7/1/14 - 6/30/15	\$ (302,451)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (302,451)	\$ -									
<u>Debt Service Fund</u>																						
Debt Service Aid Type II	21-495-034-5120-017	378,318	7/1/20 - 6/30/21	-	-	-	-	-	378,318	(378,318)	-	-	-									
State Department of Agriculture																						
<u>Enterprise Fund:</u>																						
State School Lunch Program	21-100-010-3350-023	25,357	7/1/20 - 6/30/21	-	-	-	-	-	18,907	(25,357)	-	(6,450)	-									
State School Lunch Program	20-100-010-3350-023	10,330	7/1/19 - 6/30/20	(340)	-	-	-	-	340	-	-	-	-									
Total Enterprise Fund				<u>(340)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,247</u>	<u>(25,357)</u>	<u>-</u>	<u>(6,450)</u>	<u>-</u>									
Total State Financial Assistance				<u>\$ (2,508,491)</u>	<u>\$ -</u>	<u>\$ 83,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,943,696</u>	<u>(26,767,727)</u>	<u>\$ 83,809</u>	<u>\$ (3,354,344)</u>	<u>\$ 21,822</u>									
Less: State Financial Expenditures Not Subject to Major Program Determination																						
On-Behalf TPAF Contribution - Pension (Non-Budgeted)										(5,285,092)												
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)										(1,656,266)												
On-Behalf TPAF Contribution - Pension LTDI (Non-Budgeted)										(2,928)												
Total State Financial Expenditures Subject to Major Program Determination										<u>\$ (19,823,441)</u>												

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

Delran Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

I. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Delran Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021
(Continued)

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$53,176) in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 61,589	\$ 26,189,883	\$ 26,251,472
Special Revenue	1,447,140	120,993	1,568,133
Debt Service		378,318	378,318
Food Service	689,942	25,357	715,299
Total	<u>\$ 2,198,671</u>	<u>\$ 26,714,551</u>	<u>\$ 28,913,222</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

6. MAJOR PROGRAMS

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

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? _____ yes X no

2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

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

2) Significant deficiencies identified? _____ yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	HO27A200100	I.D.E.A. Part B - Basic
84.173	H173A200114	I.D.E.A. Part B - Preschool

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

Auditee qualified as low-risk auditee? X yes _____ no

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

Finding No. 2021-001

Information on the State Program:

Extraordinary Aid; GMIS No. 21-495-034-5120-044

Criteria or specific requirement:

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

Condition:

In several instances, costs on the Extraordinary Aid Application were not supported by the related services indicated on the Individualized Education Program (IEP). Also, it appears that some costs were not claimed that appeared to be eligible costs on the IEP.

Questioned Costs:

N/A

Context:

My test of the Extraordinary Aid Application disclosed several differences when compared to the student's IEP.

Effect:

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

Cause:

Oversight.

Recommendation:

That care is exercised in preparing the Application for Extraordinary Aid.

View of Responsible Officials and Planned Corrective Action:

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

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

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

Finding #2020-001

Condition:

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

Current Status:

This condition has been corrected.