

**DELANCO TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2022**

**Responsibility of the Management of  
Delanco Township School District  
Burlington County, New Jersey**



**DELANCO TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2022**

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**DELANCO TOWNSHIP  
SCHOOL DISTRICT**

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# Delanco Township School District



1301 Burlington Avenue, Delanco, New Jersey 08075

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March 6, 2023

Honorable President and Members of the Board of Education  
Delanco Township School District  
1301 Burlington Avenue  
Delanco, New Jersey 08075

Dear Board Members:

The Annual Comprehensive Financial Report of the Delanco Township School District for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education. 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditor's reports 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:** Delanco Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) 14. All funds and account groups of the District are included in this report. The Delanco Township Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-k through 8 as well as special education. The District completed the 2021/2022 fiscal year with an average enrollment of 367 students, which is a 6.75% decrease over the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2011/2012	393	1.94%
2012/2013	386	(1.78%)
2013/2014	390	1.00%
2014/2015	387	(0.73%)
2015/2016	392	1.29%
2016/2017	398	1.53%
2017/2018	401	0.75%
2018/2019	401	0.00%
2019/2020	410	2.24%
2020/2021	393	(4.15%)
2021/2022	367	(6.75)

Students in grades kindergarten through fifth grade are housed in the M. Joan Pearson School and grades sixth through eighth in the Walnut Street School. For grades ninth through twelfth students are sent to Riverside High School on a tuition basis.

**2. ECONOMIC CONDITION AND OUTLOOK:** The Delanco Township district saw a decrease in enrollment in 2021-22. Though a decrease occurred, the district continues to see an increase in out-of-district placements impacting both transportation and tuition costs. The School District is reviewing special education information to determine if in-house programs could be created. The creation of special education programs may reduce the tuition and transportation expenses, which may help the district to stabilize the fund balance and future budgets.

**3. MAJOR INITIATIVES:** Currently, the School District has the following major initiatives:

- Curriculum initiatives:
  - Develop math fact fluency
  - Reach grade-level expectations for NJSL Math Standards
  - Develop proficiency in writing through the 3 main writing genres
  - Reach grade-level reading proficiency as determine by the Fountas and Pinnell grade level expectation chart
  - Develop a well-rounded instructional environment with Social and Emotional Learning built into the schedule
  - Build students’ financial literacy skills in grades 6-8 by providing specific and targeted instruction

- Build a school environment focusing on trauma-informed instruction that focuses on the needs of all learners
- Infuse the 2020 NJSLs into the areas of visual and performing arts, science, world language, and career readiness
- Grow our financial literacy understanding in grades K-8.
- Technology initiatives:
  - Continuing to expand 1:1 Chromebook initiative to all grades
  - Installation of two servers
  - Increase access points
  - Replacing SMART boards with flat panels
- Buildings & Grounds initiatives:
  - Continue to evaluate other energy cost savings

**4. INTERNAL ACCOUNT 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 statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by Management.

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

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

**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. 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 project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.



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

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues meeting its responsibilities for sound financial management.

**8. DEBT ADMINISTRATION:** At June 30, 2022, the School District's outstanding debt issues includes \$3,115,000 in general obligation refunding bonds and \$27,563 for a capital lease.

**9. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under 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.

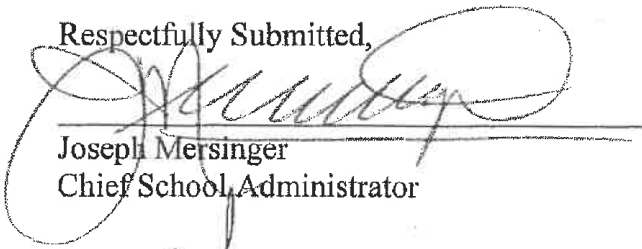
**10. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to, general liability, workers compensation, automobile liability and comprehensive/collision, environmental, hazard and theft insurance on property and contents and fidelity bonds.

**11. OTHER INFORMATION:**

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

**12. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Delanco Township School District Board of Education for their dedication in providing fiscal accountability to the citizens and taxpayers of the school district and 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 financial and accounting staff.

Respectfully Submitted,



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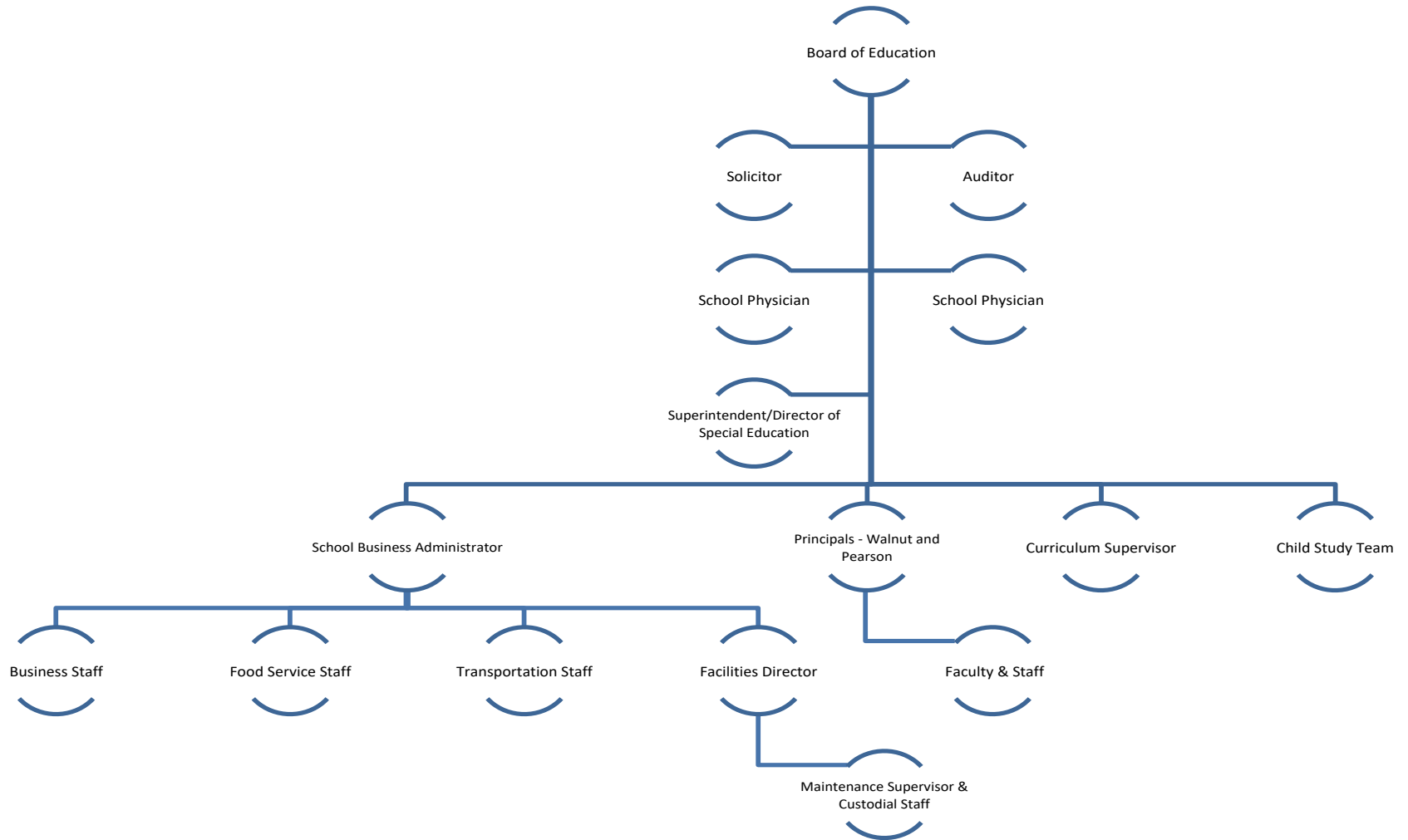
Joseph Mersinger  
Chief School Administrator



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Daniel Rath  
School Business Administrator/Board Secretary

DELANCO TOWNSHIP BOARD OF EDUCATION  
ORGANIZATIONAL CHART



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Roster of Officials**  
**June 30, 2022**

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Marisa Karamanoogian	President	2022
Eric Moosop	Vice President	2024
Vera Darmo		2022
Harry Litwack		2022
Robert Dovey		2023
Steven McLaughlin		2023
Catherine Turcich-Kealey		2023
Robert Danser		2024
James Hozier		2024

<u>Other Officials</u>	<u>Title</u>
Joseph Mersinger	Superintendent/Principal
Stephen Burns	School Business Administrator/Board Secretary

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Consultants and Advisors**  
**June 30, 2022**

**AUDIT FIRM**

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

**ATTORNEY**

Parker McCay  
9000 Midlantic Drive Suite 300  
P.O. Box 5054  
Mount Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

Investors Bank  
80 Hartford Road  
Moorestown, NJ 08057



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## Independent Auditors' Report

Honorable President and  
Members of the Board of Education  
Delanco Township School District  
Delanco, New Jersey

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delanco Township School District (the District) in the County of Burlington, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management 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, and for 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.

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Required Supplementary Information

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

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion on the Basic Financial Statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the Basic Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Basic Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**BKC, CPAs, PC**



Michael Holk, CPA, PSA  
NO. 20CS00265600

March 6, 2023  
Flemington, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

The discussion and analysis of Delanco Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- In total, net position increased \$885,043 which represents a 9.30% increase from 2021.
- General revenues accounted for \$12,951,081 in revenue or 92.41% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,063,663 or 7.59% to total revenues of \$14,014,744.
- Total assets of governmental activities increased by \$680,311 as cash and cash equivalents increased by \$855,175, receivables and other assets increased by \$99,289 and capital assets decreased by \$274,153.
- The School District had \$13,129,701 in expenses; only \$1,063,663 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,951,081 were adequate to provide for these programs.
- Among major funds, the general fund had \$11,447,507 in revenues and \$11,044,169 in expenditures. The general fund's balance increased \$403,338 over 2021.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

**Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole look at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and The Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but no limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

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

**Fund Financial Statements**

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

**Governmental Funds**

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net position for the fiscal year ended June 30, 2022 compared to June 30, 2021.

**Table 1**  
**Net Position**

	06/30/22	06/30/21	Variance	
			Dollars	Percent
<b>Assets</b>				
Current & other assets	\$ 3,937,643	\$ 3,040,779	\$ 896,864	29.49%
Capital assets	12,148,040	12,385,270	(237,230)	-1.92%
Total assets	<u>16,085,683</u>	<u>15,426,049</u>	<u>659,634</u>	<u>4.28%</u>
<b>Deferred outflows of resources</b>				
Deferred amount of pension liability	210,904	369,843	(158,939)	-42.97%
Deferred loss on defeasance of debt	121,600	141,867	(20,267)	-14.29%
Total deferred outflows of resources	<u>332,504</u>	<u>511,710</u>	<u>(179,206)</u>	<u>-35.02%</u>
<b>Liabilities</b>				
Long term liabilities	4,398,449	5,270,762	(872,313)	-16.55%
Other liabilities	852,926	382,925	470,001	122.74%
Total liabilities	<u>5,251,375</u>	<u>5,653,687</u>	<u>(402,312)</u>	<u>-7.12%</u>
<b>Deferred inflows of resources</b>				
Deferred amount of pension liability	<u>762,433</u>	<u>764,736</u>	<u>(2,303)</u>	<u>-0.30%</u>
<b>Net position</b>				
Invested in capital assets, net of related debt	9,033,040	8,773,738	259,302	2.96%
Restricted	456,423	2,278,461	(1,822,038)	-79.97%
Unrestricted	914,916	(1,532,863)	2,447,779	159.69%
Total net position	<u>\$ 10,404,379</u>	<u>\$ 9,519,336</u>	<u>\$ 885,043</u>	<u>9.30%</u>

Total assets increased \$659,634. Cash and cash equivalents increased by \$795,401 receivables and other assets increased by \$101,463 and capital assets decreased by \$237,230. Unrestricted net position of the School District increased by \$2,447,779. These are the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

Table 2 shows the changes in net position for the fiscal year ended June 30, 2022 compared to June 30, 2021.

**Table 2**  
**Changes in Net Position**

	06/30/22	06/30/21	Variance	
			Dollars	Percent
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 83,837	\$ 91,160	\$ (7,323)	-8.03%
Operating grants & contributions	979,826	2,629,298	(1,649,472)	-62.73%
General revenues				
Property taxes	7,222,835	7,026,101	196,734	2.80%
Unrestricted grants	5,569,801	2,789,447	2,780,354	99.67%
Other	158,445	25,728	132,717	515.85%
<b>Total revenues</b>	<u>14,014,744</u>	<u>12,561,734</u>	<u>1,453,010</u>	<u>11.57%</u>
<b>Program expenses</b>				
Instruction				
Regular	3,703,139	2,041,953	1,661,186	81.35%
Special	956,630	764,586	192,044	25.12%
Other	272,180	64,611	207,569	321.26%
Support services				
Tuition	3,790,114	3,134,693	655,421	20.91%
Student & instructional staff	1,674,810	889,513	785,297	88.28%
General & business administration	539,786	434,809	104,977	24.14%
School administration	592,409	265,867	326,542	122.82%
Maintenance	585,679	556,460	29,219	5.25%
Transportation	519,409	411,211	108,198	26.31%
Food service	269,352	129,097	140,255	108.64%
Child-care service	2,000	2,386	(386)	-16.18%
Transfers to charter school	96,539	60,757	35,782	58.89%
Unallocated benefits	-	3,117,257	(3,117,257)	-100.00%
Interest on long term debt	127,654	150,428	(22,774)	-15.14%
<b>Total expenses</b>	<u>13,129,701</u>	<u>12,023,628</u>	<u>1,106,073</u>	<u>9.20%</u>
<b>Change in net position</b>	<u>\$ 885,043</u>	<u>\$ 538,106</u>	<u>\$ 346,937</u>	<u>64.47%</u>

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 52.42% of revenues for governmental activities for the Delanco Township School District for fiscal year 2022.

Instruction comprises 66.43% of district expenses. Support services expenses make up 33.57% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal year ended June 30, 2022 compared to June 30, 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	06/30/22	06/30/21	06/30/22	06/30/21
Instruction	\$ 4,931,949	\$ 2,871,150	\$ 4,708,216	\$ 2,462,087
Support services				
Tuition	3,790,114	3,134,693	3,613,247	3,134,693
Student & instructional staff	1,674,810	889,513	1,465,025	817,412
General & business administration	539,786	434,809	539,786	434,809
School administration	592,409	265,867	592,409	255,567
Plant operations & maintenance	585,679	556,460	367,830	556,460
Pupil transportation	519,409	411,211	519,409	411,211
Food service	269,352	129,097	33,923	(51,031)
Child care service	2,000	2,386	2,000	2,386
Transfer to charter school	96,539	60,757	96,539	60,757
Unallocated benefits	-	3,117,257	-	1,068,393
Interest on long-term debt	127,654	150,428	127,654	150,428
	<u>\$ 13,129,701</u>	<u>\$ 12,023,628</u>	<u>\$ 12,066,038</u>	<u>\$ 9,303,172</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students.

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

Plant operation and maintenance activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

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

The dependence upon tax revenues and aid is apparent. For all activities local tax revenue support is 51.54%. The community, as a whole, is the primary support or funding source for the Delanco Township School District.

**The School District's Funds**

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,753,171 and expenditures of \$12,349,244. The net positive change in fund balance for the year was most significant in the general fund, reflecting an increase of \$403,338.

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2022, the School District amended its general fund budget as needed. The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenue and other financing sources were \$10,064,043, \$511,471 over original budgeted estimates of \$9,552,572. This difference was due primarily to additional miscellaneous income and extraordinary aid.

The general fund revenues and other financing sources of the School District exceeded expenditures by \$419,447, the financial position of the School District is strong.



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

**Capital Assets**

At the end of the fiscal year 2022, the School District had \$12,148,040 invested in land, construction in progress, building, furniture and equipment. Table 4 shows June 30, 2022 balances compared to June 30, 2021.

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

	06/30/22	06/30/21	Variance	
			Dollars	Percent
Land improvements	\$ 28,427	\$ 7,583	\$ 20,844	274.88%
Buildings & improvements	11,901,879	12,179,061	(277,182)	-2.28%
Machinery & equipment	217,734	198,626	19,108	9.62%
	<u>\$ 12,148,040</u>	<u>\$ 12,385,270</u>	<u>\$ (237,230)</u>	-1.92%

Overall capital assets decreased \$237,230 from June 30, 2021 to June 30, 2022.

**Debt Administration**

At June 30, 2022, the School District had \$4,398,449 in long-term liabilities. Table 5 shows June 30, 2022 balances compared to June 30, 2021.

**Table 5**  
**Long-Term Liabilities at Year End**

	06/30/22	06/30/21	Variance	
			Dollars	Percent
2010 refunding bond issue	\$ 3,115,000	\$ 3,570,000	\$ (455,000)	-12.75%
Unamortized bond premium	126,231	147,269	(21,038)	-14.29%
Compensated absences liability	273,352	284,683	(11,331)	-3.98%
Leases payable	27,563	36,130	(8,567)	-23.71%
PERS net pension liability	856,303	1,232,680	(376,377)	-30.53%
	<u>\$ 4,398,449</u>	<u>\$ 5,270,762</u>	<u>\$ (872,313)</u>	-16.55%

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**Unaudited**

**For the Future**

Over the past years, the increase in special education costs and out of district placements has impacted the budget. The expenses have caused the budgeted fund balance to fluctuate. In addition to costs rising, state aid decreased for the 2022-23 school year. The district has engaged in reduction-in-forces over the past years. The district created a new Multiple Disabled program in 2021-22 and is currently seeking opportunities to create other in-district programs to reduce expenditures. It also has a continued shared service agreement with Moorestown Township School District for technology and transportation. Delanco continues the 1:1 Chromebook program to every student and has made significant investments to further upgrade technology in the classroom. Delanco has a sending-receiving relationship with Riverside Township School District for students in Grades 9-12, whereby students from Delanco Township attend Riverside Township High School. Students are also given the option to apply to the Burlington County Institute of Technology

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Stephen Burns, School Business Administrator/Board Secretary at Delanco Township Board of Education, 1301 Burlington Avenue, Delanco, New Jersey 08075.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,991,177	\$ 39,543	\$ 3,030,720
Receivables, net	430,516	14,861	445,377
Inventory	-	6,641	6,641
Restricted assets			
Capital reserve - cash	433,650	-	433,650
Student activities - cash	21,255	-	21,255
Capital assets, net of depreciation	12,099,426	48,614	12,148,040
Total assets	<u>15,976,024</u>	<u>109,659</u>	<u>16,085,683</u>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	210,904	-	210,904
Deferred loss on defeasance of debt	121,600	-	121,600
Total deferred outflows of resources	<u>332,504</u>	<u>-</u>	<u>332,504</u>
<b>Liabilities</b>			
Accounts payable	776,023	10,900	786,923
Accrued interest	34,483	-	34,483
Payroll deductions and withholdings payable	13,198	-	13,198
Unearned revenue	12,024	6,298	18,322
Long-term liabilities			
Due within one year	509,908	-	509,908
Due beyond one year	3,888,541	-	3,888,541
Total liabilities	<u>5,234,177</u>	<u>17,198</u>	<u>5,251,375</u>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	762,433	-	762,433
<b>Net position</b>			
Net investment in capital assets	8,984,426	48,614	9,033,040
Restricted for			
Capital reserve	433,650	-	433,650
Debt service fund	1	-	1
Scholarships	1,718	-	1,718
Student activities	19,537	-	19,537
Internal service fund	1,517	-	1,517
Unrestricted	871,069	43,847	914,916
Total net position	<u>\$ 10,311,918</u>	<u>\$ 92,461</u>	<u>\$ 10,404,379</u>

See accompanying notes to financial statements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2022**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>								
Instruction								
Regular	\$ 1,856,842	\$ 1,846,297	\$ 34,118	\$ 118,186	\$ -	\$ (3,550,835)	\$ -	\$ (3,550,835)
Special education	526,727	429,903	-	-	-	(956,630)	-	(956,630)
Other special education	121,961	143,789	-	71,429	-	(194,321)	-	(194,321)
Other instruction	4,986	1,444	-	-	-	(6,430)	-	(6,430)
Support services								
Tuition	3,790,114	-	-	176,867	-	(3,613,247)	-	(3,613,247)
Students & instruction related services	1,224,775	450,035	13,688	196,097	-	(1,465,025)	-	(1,465,025)
General & business administration services	349,734	190,052	-	-	-	(539,786)	-	(539,786)
School administration services	334,553	257,856	-	-	-	(592,409)	-	(592,409)
Plant operations & maintenance	554,709	30,970	35,439	182,410	-	(367,830)	-	(367,830)
Pupil transportation	516,568	2,841	-	-	-	(519,409)	-	(519,409)
Transfer to charter schools	96,539	-	-	-	-	(96,539)	-	(96,539)
Interest on long-term debt	127,654	-	-	-	-	(127,654)	-	(127,654)
Total governmental activities	<u>9,505,162</u>	<u>3,353,187</u>	<u>83,245</u>	<u>744,989</u>	<u>-</u>	<u>(12,030,115)</u>	<u>-</u>	<u>(12,030,115)</u>
<b>Business-type activities</b>								
Food service	269,352	-	592	234,837	-	-	(33,923)	(33,923)
Child care program	2,000	-	-	-	-	-	(2,000)	(2,000)
Total business-type activities	<u>271,352</u>	<u>-</u>	<u>592</u>	<u>234,837</u>	<u>-</u>	<u>-</u>	<u>(35,923)</u>	<u>(35,923)</u>
Total primary government	<u>\$ 9,776,514</u>	<u>\$ 3,353,187</u>	<u>\$ 83,837</u>	<u>\$ 979,826</u>	<u>\$ -</u>	<u>(12,030,115)</u>	<u>(35,923)</u>	<u>(12,066,038)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						6,675,848	-	6,675,848
Property taxes levied for debt service						546,987	-	546,987
Federal and state aid not restricted						5,569,801	-	5,569,801
Investment earnings						2,095	48	2,143
Miscellaneous income						156,186	116	156,302
Total general revenues, special items and transfers						<u>12,950,917</u>	<u>164</u>	<u>12,951,081</u>
Change in net position						920,802	(35,759)	885,043
Net position - beginning (as restated)						9,391,116	128,220	9,519,336
Net position - ending						<u>\$ 10,311,918</u>	<u>\$ 92,461</u>	<u>\$ 10,404,379</u>

See accompanying notes to financial statements.

## **FUND FINANCIAL STATEMENTS**

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 2,987,089	\$ -	\$ -	\$ 1	\$ 2,987,090
Due from other funds	51,242	-	-	-	51,242
Receivables from other governments					
State	338,010	-	-	-	338,010
Federal	-	84,978	-	-	84,978
Other accounts receivable	7,528	-	-	-	7,528
Restricted cash and cash equivalents	433,650	21,255	-	-	454,905
<b>Total assets</b>	<b>\$ 3,817,519</b>	<b>\$ 106,233</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 3,923,753</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	\$ 51,242	\$ -	\$ -	\$ 51,242
Accounts payable	751,741	24,282	-	-	776,023
Payroll deductions and withholdings payable	13,198	-	-	-	13,198
Unearned revenue	-	9,454	-	-	9,454
<b>Total liabilities</b>	<b>764,939</b>	<b>84,978</b>	<b>-</b>	<b>-</b>	<b>849,917</b>
<b>Fund balances</b>					
<b>Restricted fund balance</b>					
Excess surplus - designated for subsequent year's expenditures	\$ 1,442,116	\$ -	\$ -	\$ -	\$ 1,442,116
Excess surplus - current year	688,243	-	-	-	688,243
Capital reserve	433,650	-	-	-	433,650
Student activities	-	19,537	-	-	19,537
Scholarship	-	1,718	-	-	1,718
<b>Committed fund balance</b>					
Encumbrances	5,667	-	-	-	5,667
<b>Assigned fund balance</b>					
Designated for subsequent year's expenditures	-	-	-	1	1
Unassigned fund balance	482,904	-	-	-	482,904
<b>Total fund balances</b>	<b>3,052,580</b>	<b>21,255</b>	<b>-</b>	<b>1</b>	<b>3,073,836</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,817,519</b>	<b>\$ 106,233</b>	<b>\$ -</b>	<b>\$ 1</b>	

See accompanying notes to financial statements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2022**

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$18,234,395 and the accumulated depreciation is \$6,134,969.	\$ 12,099,426
Deferred loss on defeasance of debt is a consumption of net position that is applicable to future reporting period and therefore is not reported in the funds.	121,600
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(551,529)
Internal service funds are used by the District to charge the costs of substitute calling services. The assets and liabilities of the internal service fund are included with governmental activities.	1,517
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,398,449)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(34,483)</u>
Total net position of governmental activities	<u><u>\$ 10,311,918</u></u>

See accompanying notes to financial statements.



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 6,675,848	\$ -	\$ -	\$ 546,987	\$ 7,222,835
Tuition					
Other LEAs within the state	23,684	-	-	-	23,684
Interest on investments	2,091	-	-	-	2,091
Miscellaneous	191,625	13,689	-	-	205,314
Total local sources	<u>6,893,248</u>	<u>13,689</u>	<u>-</u>	<u>546,987</u>	<u>7,453,924</u>
State sources	4,554,259	-	-	-	4,554,259
Federal sources	-	744,988	-	-	744,988
Total revenues	<u>11,447,507</u>	<u>758,677</u>	<u>-</u>	<u>546,987</u>	<u>12,753,171</u>
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	1,821,543	35,299	-	-	1,856,842
Special education instruction	526,727	-	-	-	526,727
Other special instruction	57,064	64,897	-	-	121,961
Other instruction	4,986	-	-	-	4,986
Support service & undistributed costs					
Tuition	3,613,247	176,867	-	-	3,790,114
Student & instruction related services					
General & business administrative services	1,006,659	209,195	-	-	1,215,854
School administrative services	349,734	-	-	-	349,734
Plant operations & maintenance	334,553	-	-	-	334,553
Plant operations & maintenance	372,299	182,410	-	-	554,709
Pupil transportation	516,568	-	-	-	516,568
Unallocated benefits	2,257,743	89,419	-	-	2,347,162

See accompanying notes to financial statements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 32,054	\$ -	\$ -	\$ -	\$ 32,054
Transfer to charter schools	96,539	-	-	-	96,539
Debt service					
Principal	8,567	-	-	455,000	463,567
Interest & other charges	45,886	-	-	91,988	137,874
Total expenditures	<u>11,044,169</u>	<u>758,087</u>	<u>-</u>	<u>546,988</u>	<u>12,349,244</u>
Excess (deficit) of revenues over (under) expenditures	403,338	590	-	(1)	403,927
Fund balances, July 1	<u>2,649,242</u>	<u>20,665</u>	<u>-</u>	<u>2</u>	<u>2,669,909</u>
Fund balances, June 30	<u>\$ 3,052,580</u>	<u>\$ 21,255</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 3,073,836</u>

See accompanying notes to financial statements.

**DELANCO 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, 2022**

Total net changes in fund balances - governmental fund (from B-2) \$ 403,927

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

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

Capital outlays	\$ 32,054	
Depreciation expense	<u>(306,207)</u>	(274,153)

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

Lease principal payment	8,567	
Debt principal payments	<u>455,000</u>	463,567

Governmental funds report the effect of premiums and defeasances when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of loss on defeasance of debt	(20,267)	
Amortization of bond premium	<u>21,038</u>	771

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 304,393

See accompanying notes to financial statements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities (continued)**  
**For the Fiscal Year Ended June 30, 2022**

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item. \$ 9,449

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. 11,331

The activities of the internal serviced fund are not recognized in the governmental funds but are included as governmental activities in the Statement of Activities. 1,517

Change in net position of governmental activities \$ 920,802

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2022**

	Enterprise Funds			Government Activities - Internal Service Funds	
	Food Service	Child Care Program	Total	Substitute Caller	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 23,845	\$ 15,698	\$ 39,543	\$ 4,087	\$ 4,087
Receivables from other governments					
State	234	-	234	-	-
Federal	14,627	-	14,627	-	-
Inventory	6,641	-	6,641	-	-
Total current assets	<u>45,347</u>	<u>15,698</u>	<u>61,045</u>	<u>4,087</u>	<u>4,087</u>
Noncurrent assets					
Capital assets	227,173	-	227,173	-	-
Less: accumulated depreciation	178,559	-	178,559	-	-
Total noncurrent assets	<u>48,614</u>	<u>-</u>	<u>48,614</u>	<u>-</u>	<u>-</u>
Total assets	<u>93,961</u>	<u>15,698</u>	<u>109,659</u>	<u>4,087</u>	<u>4,087</u>
Liabilities					
Current liabilities					
Unearned revenues - commodities	4,363	-	4,363	-	-
Unearned revenues - prepaid sales	1,935	-	1,935	-	-
Unearned revenue - other	-	-	-	2,570	2,570
Accounts payable	10,900	-	10,900	-	-
Total liabilities	<u>17,198</u>	<u>-</u>	<u>17,198</u>	<u>2,570</u>	<u>2,570</u>
Net position					
Net investment in capital assets	48,614	-	48,614	-	-
Unrestricted	28,149	15,698	43,847	1,517	1,517
Total net position	<u>\$ 76,763</u>	<u>\$ 15,698</u>	<u>\$ 92,461</u>	<u>\$ 1,517</u>	<u>\$ 1,517</u>

See accompanying notes to financial statements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2022**

	Enterprise Funds			Government Activities - Internal Service Funds	
	Food Service	Child Care Program	Total	Substitute Caller	Total
Operating revenues					
Charges for services					
Daily sales - reimbursable programs	\$ 7	\$ -	\$ 7	\$ -	\$ -
Daily sales - non-reimbursable programs	585	-	585	-	-
Fees for services	-	-	-	10,434	10,434
Total operating revenues	<u>592</u>	<u>-</u>	<u>592</u>	<u>10,434</u>	<u>10,434</u>
Operating expenses					
Cost of sales - reimbursable programs	49,231	-	49,231	-	-
Cost of sales - non-reimbursable programs	14,611	-	14,611	-	-
Commodity food costs	18,410	-	18,410	-	-
Salaries	107,838	-	107,838	8,180	8,180
Support services - employee benefits	11,781	-	11,781	647	647
Purchased professional/technical services	2,522	-	2,522	-	-
Purchased property services	17,163	-	17,163	-	-
Other purchased services					
Insurance	6,350	-	6,350	-	-
Management fee	15,050	-	15,050	-	-
Supplies and materials	983	-	983	-	-
Depreciation	13,468	-	13,468	-	-
Miscellaneous expenditures	11,945	2,000	13,945	94	94
Total operating expenses	<u>269,352</u>	<u>2,000</u>	<u>271,352</u>	<u>8,921</u>	<u>8,921</u>
Operating income (loss)	(268,760)	(2,000)	(270,760)	1,513	1,513
Non-operating revenues (expenses)					
State sources					
State school lunch program	3,818	-	3,818	-	-
Federal sources					
National school lunch program					
Cash assistance	162,519	-	162,519	-	-
Non cash assistance (commodities)	18,410	-	18,410	-	-
National school breakfast program	49,462	-	49,462	-	-
P-EBT administrative	628	-	628	-	-
Other sources					
Miscellaneous	116	-	116	-	-
Interest earned on investments	37	11	48	4	4
Total non-operating revenues (expenses)	<u>234,990</u>	<u>11</u>	<u>235,001</u>	<u>4</u>	<u>4</u>
Change in net position	(33,770)	(1,989)	(35,759)	1,517	1,517
Net position, beginning (as restated)	<u>110,533</u>	<u>17,687</u>	<u>128,220</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ 76,763</u>	<u>\$ 15,698</u>	<u>\$ 92,461</u>	<u>\$ 1,517</u>	<u>\$ 1,517</u>

See accompanying notes to financial statements.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2022**

	Enterprise Funds			Government Activities - Internal Service Funds	
	Food	Child Care	Total	Substitute	Total
	Service	Program		Caller	
Cash flows from operating activities					
Receipts from customers (net)	\$ 411	\$ -	\$ 411	\$ 10,434	\$ 10,434
Payments to Food Service Management Co.	(183,148)	-	(183,148)	-	-
Payments to vendors (net)	(42,132)	(2,000)	(44,132)	(19,132)	(19,132)
Net cash provided by (used for) operating activities	<u>(224,869)</u>	<u>(2,000)</u>	<u>(226,869)</u>	<u>(8,698)</u>	<u>(8,698)</u>
Cash flows from non-capital financing activities					
State sources	4,693	-	4,693	-	-
Federal sources	214,630	-	214,630	-	-
Miscellaneous	16	-	16	-	-
Net interfund transactions	100	(2,000)	(1,900)	-	-
Net cash provided by (used for) noncapital financing activities	<u>219,439</u>	<u>(2,000)</u>	<u>217,439</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Interest on investments	37	11	48	4	4
Net cash provided by (used for) investing activities	<u>37</u>	<u>11</u>	<u>48</u>	<u>4</u>	<u>4</u>
Cash flows from financing activities					
Acquisition of equipment	(50,391)	-	(50,391)	-	-
Net cash provided by (used for) financing activities	<u>(50,391)</u>	<u>-</u>	<u>(50,391)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(55,784)	(3,989)	(59,773)	(8,694)	(8,694)
Cash and cash equivalents, beginning	79,629	19,687	99,316	12,781	12,781
Cash and cash equivalents, ending	<u>\$ 23,845</u>	<u>\$ 15,698</u>	<u>\$ 39,543</u>	<u>\$ 4,087</u>	<u>\$ 4,087</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ (268,760)	\$ (2,000)	\$ (270,760)	\$ 1,513	\$ 1,513
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	13,468	-	13,468	-	-
Federal food donation program	18,410	-	18,410	-	-
(Increase) decrease in accounts receivable	-	-	-	94	94
Increase (decrease) in accounts payable	10,900	-	10,900	(10,305)	(10,305)
(Increase) decrease in inventory	(3,070)	-	(3,070)	-	-
Increase (decrease) in unearned revenue	4,183	-	4,183	-	-
Net cash provided by (used for) operating activities	<u>\$ (224,869)</u>	<u>\$ (2,000)</u>	<u>\$ (226,869)</u>	<u>\$ (8,698)</u>	<u>\$ (8,698)</u>

See accompanying notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Burlington, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District also has a sending relationship with Riverside Board of Education for Grades 9-12. The District had an approximate enrollment at June 30, 2022 of 371 students.

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

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

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

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for payroll withholdings for employee salary deductions are included in the general fund.

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

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

The District did not utilize the capital projects fund during the fiscal year.

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)  
C. Measurement focus, basis of accounting, and financial statement presentation (continued)  
Proprietary fund types (continued)

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

*Internal Service Fund* - The internal service fund is utilized to charge costs for certain activities to individual funds or other governmental entities.

The District's internal service fund is comprised of the substitute teacher calling service fund.

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

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

Equipment	12 Years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2021-2022 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

J. Capital assets

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

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

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

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

K. Compensated absences

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

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

N. Net position

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

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



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

N. Net position (continued)

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

O. Fund balances - governmental funds

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

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

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

P. Use of estimates

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

Note 2 - Tax assessments and property taxes

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 2 - Tax assessments and property taxes (continued)

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2022, the District had no investments.

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

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

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

As of June 30, 2022, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC		\$ 250,000
Insured by GUDPA		3,295,732
Total bank balances		\$ 3,545,732

Deposits at June 30, 2022 appear in the financial statements as summarized below:

Cash		\$ 3,485,625
Unrestricted cash		
Governmental funds, Balance Sheet	Ref. B-1	\$ 2,987,090
Enterprise funds, Statement of Net Position	B-4	39,543
Internal service funds, Statement of Net Position	B-4	4,087
Restricted cash		
Governmental funds, Balance Sheet	B-1	454,905
Total cash		\$ 3,485,625

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 -

Capital assets

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, being depreciated or amortized				
Land improvements	\$ 124,336	\$ 22,080	\$ -	\$ 146,416
Building & improvements	17,309,991	-	-	17,309,991
Furniture & equipment	829,741	9,974	61,727	777,988
Total	<u>18,264,068</u>	<u>32,054</u>	<u>61,727</u>	<u>18,234,395</u>
Accumulated depreciation & amortization				
Land improvements	116,753	1,236	-	117,989
Building & improvements	5,130,930	277,182	-	5,408,112
Furniture & equipment	642,806	27,789	61,727	608,868
Total	<u>5,890,489</u>	<u>306,207</u>	<u>61,727</u>	<u>6,134,969</u>
Total capital assets, being depreciated or amortized, net	<u>12,373,579</u>	<u>(274,153)</u>	<u>-</u>	<u>12,099,426</u>
Governmental activities capital assets, net	<u>\$ 12,373,579</u>	<u>\$ (274,153)</u>	<u>\$ -</u>	<u>\$ 12,099,426</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 176,782	\$ 50,391	\$ -	\$ 227,173
Less: accumulated depreciation or amortization	<u>165,091</u>	<u>13,468</u>	<u>-</u>	<u>178,559</u>
Business type activities capital assets, net	<u>\$ 11,691</u>	<u>\$ 36,923</u>	<u>\$ -</u>	<u>\$ 48,614</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 123,791
Special education	35,115
Other special instruction	8,131
Other instruction	332
Support services	
Student & instruction	93,218
General & business administration	23,316
School administration	22,304
Total depreciation expense, governmental activities	<u>\$ 306,207</u>

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 3,570,000	\$ -	\$ 455,000	\$ 3,115,000	\$ 480,000
Unamortized bond premium	147,269		21,038	126,231	21,038
Compensated absences payable	284,683	-	11,331	273,352	-
PERS net pension liability	1,232,680	-	376,377	856,303	-
Leases payable	36,130	-	8,567	27,563	8,870
Total governmental activities long-term liabilities	<u>\$ 5,270,762</u>	<u>\$ -</u>	<u>\$ 872,313</u>	<u>\$ 4,398,449</u>	<u>\$ 509,908</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments are listed as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 480,000	\$ 75,813	\$ 555,813
2024	490,000	65,806	555,806
2025	500,000	54,975	554,975
2026	520,000	41,550	561,550
2027	555,000	25,425	580,425
2028	570,000	8,550	578,550
Total	<u>\$ 3,115,000</u>	<u>\$ 272,119</u>	<u>\$ 3,387,119</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2022, with their outstanding balances are comprised of the following individual issues:

\$5,600,000 - 2013 refunding school bonds, interest at 3.00%, due in annual installments beginning August 1, 2013 to August 1, 2027.	<u>\$ 3,115,000</u>
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The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2022 is \$13,343,553. General obligation debt at June 30, 2022 is \$3,115,000 resulting in a legal debt margin of \$10,228,553.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)

*Leases payable* - The annual requirements to amortize all leases outstanding as of June 30, 2022, including interest payments are listed as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 8,870	\$ 976	\$ 9,846
2024	9,184	662	9,846
2025	9,509	337	9,846
Total	<u>\$ 27,563</u>	<u>\$ 1,975</u>	<u>\$ 29,538</u>

Leases payable at June 30, 2022, with their outstanding balances are comprised of the following:

\$45,976 - 2019 lease, interest at 3.540%, due in annual installments beginning August 10, 2020 to August 10, 2024.	<u>\$ 27,563</u>
Total	<u>\$ 27,563</u>

Note 6 - Pension plans

Description of systems

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

A. Public employees' retirement systems (PERS)

Plan description

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2021 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021 measurement date.



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

The District's contractually required contribution rate for the year ended June 30, 2022 was 19.69% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2021:

Net pension liability	\$	856,303
Proportionate share		.0072283176%

Plan fiduciary net position as a percentage of the total pension liability	70.33%
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The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

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

Investment rate of return	7.00%
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Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2021 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	856,303
At a 1% lower rate (6.00%)		1,178,541
At a 1% higher rate (8.00%)		599,712

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2021 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,505	\$ 6,130
Changes of assumptions	4,460	304,849
Net difference between projected and actual earnings on pension plan investments	-	225,573
Changes in proportion and differences between District contributions and proportionate share of contributions	108,287	225,881
District contributions subsequent to the measurement date	84,652	-
Total	<u>\$ 210,904</u>	<u>\$ 762,433</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2022, the Plan measurement date is June 30, 2021) of \$84,652 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2021 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 22,445	\$ (8,940)	\$ 13,505
Changes of assumptions	39,990	(35,530)	4,460
Differences between expected and actual experience	42,134	(42,314)	-
Deferred inflows of resources			
Differences between expected and actual experience	(4,359)	(1,771)	(6,130)
Changes of assumptions	(516,135)	211,286	(304,849)
Difference between projected and actual earnings on pension plan investments	-	(225,573)	(225,573)
Net of deferred outflows	\$ (415,925)	\$ (102,662)	\$ (518,587)

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

Year Ended June 30,

2022	\$ (202,050)
2023	(144,263)
2024	(98,363)
2025	(73,940)
2026	29
Total	\$ (518,587)

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Pension expense (benefit)

For the year ended June 30, 2022, the District recognized net pension expense (benefit) of (\$137,050), which represents the District's proportionate share of allocable plan pension revenue of (\$116,936), plus the net amortization of deferred amounts from changes in proportion of (\$18,154), and plus other adjustments to the net pension liability of (\$1,960). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2021 measurement date are as follows:

Service cost	\$	50,426
Interest on total pension liability		198,163
Benefit changes		-
Member contributions		(41,026)
Administrative expense		717
Expected investment return net of investment expense		(108,110)
Pension expense related to specific liabilities of individual employers		(505)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		5,553
Changes of assumptions		(150,419)
Difference between projected and actual investment earnings on pension plan investments		(71,735)
Pension expense (benefit)	\$	<u>(116,936)</u>

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

Plan description

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

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

The State’s pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2021, the State’s pension contribution was less than the actuarial determined amount.

Special funding situation

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Special funding situation (continued)

During the State fiscal year ended June 30, 2021, the State of New Jersey contributed \$742,594 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2021 measurement date is as follows:

District proportionate share of net pension liability	\$	18,893,138
Less: State proportionate share of net pension liability		6,710,845
Net pension liability	\$	12,182,293
 Proportionate share		 .0253400838%
 Plan fiduciary net position as a percentage of the total pension liability		 35.52%

Actuarial assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Actuarial assumptions (continued)

The actuarial assumptions used in the July 1, 2020 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, 2021 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2021 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	12,182,293
At a 1% lower rate (6.00%)		14,413,688
At a 1% higher rate (8.00%)		10,308,062

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2021 measurement date are as follows:

Service cost	\$	445,021
Interest on total pension liability		1,187,666
Benefit changes		-
Member contributions		(223,498)
Administrative expense		2,287
Expected investment return net of investment expense		(368,989)
Pension expense related to specific liabilities of individual employers		(102)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		51,055
Changes of assumptions		(570,787)
Difference between projected and actual investment earnings on pension plan investments		(235,998)
Pension expense	\$	<u>286,655</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2022) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2022 was \$8,826.

D. Other pension plan information

During the year ended June 30, 2022, the State of New Jersey contributed \$225,103 to the TPAF for postretirement medical benefits, \$13,404 for non-contributory insurance premiums, \$218 for long-term disability insurance, and \$950,056 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$210,792 during the year ended June 30, 2022 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as the employers) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Total OPEB liability (continued)

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2021 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 60,007,650,970
District's proportionate share of the State's OPEB liability	17,719,896
Employer OPEB expense and related revenue	728,887
Allocable proportionate percentage	0.0295293945%

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2020	\$ 19,941,926
Service cost	763,347
Interest cost	459,673
Change of benefit terms	(18,861)
Differences between expected and actual experiences	(3,093,330)
Changes of assumptions	17,482
Member contributions	11,752
Gross benefit payments	(362,093)
Total OPEB liability at June 30, 2021	<u>\$ 17,719,896</u>

There were no changes of the benefit terms from June 30, 2020 to June 30, 2021.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of the June 30, 2020 plan measurement date to 2.16% as of the June 30, 2021 plan measurement date.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate 2.50%

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 Safety (PFRS), General (PERS), and Teachers (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Discount rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total non-employer OPEB liability as of June 30, 2021 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (2.16%)	\$	17,719,896
At a 1% lower rate (1.16%)		21,225,654
At a 1% higher rate (3.16%)		14,959,322

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

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

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$	17,719,896
At a 1% lower rate (1% decrease)		14,344,313
At a 1% higher rate (1% increase)		22,253,054

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$728,887 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 8 - Deferred compensation

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

Lincoln Investment Planning

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2022 consisted of the following:

Food	\$	4,898
Supplies		1,743
Total	\$	6,641

Note 10 - Interfund receivables and payables

The special revenue fund had an interfund payable for \$51,242 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

Note 11 - Contingent liabilities

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

Note 12 - Risk management

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

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



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 12 - Risk management (continued)

*New Jersey Unemployment Compensation Insurance* - The District has elected to fund its NJ Unemployment Compensation Insurance under the Contributory Method. Under this plan, the District is required to remit the entire employee deduction of unemployment compensation to the state. Any claims for unemployment are paid for by the state from those funds.

Note 13 - District reserve accounts

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

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The District elected not to make a contribution to their capital reserve account. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 433,394	\$ -	\$ 256	\$ -	\$ -	\$ 433,650

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2022 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 1,442,116
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	688,243
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	433,650

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	5,667
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	<u>693,655</u>
Total fund balance - Budgetary basis (Exhibit C-1)	3,263,331
Last state aid payments not recognized on GAAP basis	<u>(210,751)</u>
Total fund balance - GAAP basis (Exhibit B-1)	<u><u>\$ 3,052,580</u></u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$688,243.

Note 16 - Restatement of prior year net position

During the fiscal year ended June 30, 2022, the District restated net position for business-type activities as of June 30, 2021.

	<u>Business-Type Activities</u>
Net position, June 30, 2021	\$ 112,363
Reductions	
Change in food service fund	(1,830)
Net position, June 30, 2021, as restated	<u><u>\$ 110,533</u></u>

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 17 - Recent accounting pronouncements not yet effective

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

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

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

Note 18 - Risks and uncertainties

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

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

Note 19 - Subsequent events

The District has evaluated subsequent events through March 6, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 6,675,848	\$ -	\$ 6,675,848	\$ 6,675,848	\$ -
Tuition from other LEAs within the state	-	-	-	23,684	23,684
Rents and royalties	7,300	-	7,300	27,528	20,228
Unrestricted miscellaneous revenues	6,000	-	6,000	165,932	159,932
Interest earned on capital reserve funds	500	-	500	256	(244)
<b>Total</b>	<b>6,689,648</b>	<b>-</b>	<b>6,689,648</b>	<b>6,893,248</b>	<b>203,600</b>
State sources					
Categorical transportation aid	48,300	-	48,300	48,300	-
Extraordinary aid	20,000	-	20,000	316,851	296,851
Categorical special education aid	341,376	-	341,376	341,376	-
Equalization aid	2,405,243	-	2,405,243	2,405,243	-
Categorical security aid	25,925	-	25,925	25,925	-
Other state aid	-	-	-	11,020	11,020
State reimbursements from Securing Our Childrens'					
Future Bond Act	-	22,080	22,080	22,080	-
TPAF Pension (on-behalf)	-	-	-	950,056	950,056
TPAF Non-contributory insurance	-	-	-	13,404	13,404
TPAF Social Security (reimbursed)	-	-	-	210,792	210,792
TPAF Postretirement benefits	-	-	-	225,103	225,103
TPAF Long-term disability insurance	-	-	-	218	218
<b>Total</b>	<b>2,840,844</b>	<b>22,080</b>	<b>2,862,924</b>	<b>4,570,368</b>	<b>1,707,444</b>
<b>Total revenues</b>	<b>\$ 9,530,492</b>	<b>\$ 22,080</b>	<b>\$ 9,552,572</b>	<b>\$ 11,463,616</b>	<b>\$ 1,911,044</b>
<b>Expenditures</b>					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 211,584	\$ (6,400)	\$ 205,184	\$ 202,960	\$ 2,224
Grades 1-5	871,768	44,564	916,332	916,332	-
Grades 6-8	611,428	(89,285)	522,143	518,436	3,707
Home instruction					
Salaries of teacher	15,000	14,025	29,025	27,610	1,415
Purchased professional - educational services	2,000	2,556	4,556	3,575	981
Regular programs - undistributed instruction					
Purchased professional - educational services	80,414	(2,923)	77,491	77,480	11
Other purchased services	32,920	(2,288)	30,632	28,703	1,929
General supplies	17,705	29,354	47,059	46,447	612
Other objects	6,554	(6,554)	-	-	-
<b>Total</b>	<b>1,849,373</b>	<b>(16,951)</b>	<b>1,832,422</b>	<b>1,821,543</b>	<b>10,879</b>
Special education					
Multiple disabilities					
Salaries of teachers	-	51,133	51,133	50,998	135
General supplies	-	3,849	3,849	3,849	-
<b>Total</b>	<b>-</b>	<b>54,982</b>	<b>54,982</b>	<b>54,847</b>	<b>135</b>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Resource room/resource center					
Salaries of teachers	\$ 325,374	\$ 72,968	\$ 398,342	\$ 388,095	\$ 10,247
Other salaries for instruction	102,898	(9,446)	93,452	83,785	9,667
General supplies	750	(750)	-	-	-
Total	<u>429,022</u>	<u>62,772</u>	<u>491,794</u>	<u>471,880</u>	<u>19,914</u>
Home instruction					
Purchased professional-educational services	750	(438)	312	-	312
Total	<u>750</u>	<u>(438)</u>	<u>312</u>	<u>-</u>	<u>312</u>
Total special education	<u>429,772</u>	<u>117,316</u>	<u>547,088</u>	<u>526,727</u>	<u>20,361</u>
Basic skills/remedial					
Salaries of teachers	51,064	(5,000)	46,064	33,782	12,282
General supplies	500	-	500	220	280
Total	<u>51,564</u>	<u>(5,000)</u>	<u>46,564</u>	<u>34,002</u>	<u>12,562</u>
Bilingual education - instruction					
Salaries of teachers	40,100	(5,500)	34,600	23,062	11,538
Total	<u>40,100</u>	<u>(5,500)</u>	<u>34,600</u>	<u>23,062</u>	<u>11,538</u>
School-sponsored co/extracurricular activities - instruction					
Salaries	1,806	3,741	5,547	4,721	826
Supplies and materials	3,000	(1,541)	1,459	265	1,194
Other objects	250	-	250	-	250
Total	<u>5,056</u>	<u>2,200</u>	<u>7,256</u>	<u>4,986</u>	<u>2,270</u>
Total instruction regular	<u>\$ 2,375,865</u>	<u>\$ 92,065</u>	<u>\$ 2,467,930</u>	<u>\$ 2,410,320</u>	<u>\$ 57,610</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ 1,287,347	\$ 99,070	\$ 1,386,417	\$ 1,386,408	\$ 9
Tuition to other LEAs within the state - special	858,939	(111,502)	747,437	742,700	4,737
Tuition to county vocational school district - regular	133,646	42,117	175,763	175,763	-
Tuition to county vocational school district - special	35,170	(10,061)	25,109	25,109	-
Tuition to CSSD & regional day schools	447,865	155,056	602,921	601,936	985
Tuition to priv. school for the disabled within state	687,959	(135,320)	552,639	530,165	22,474
Tuition - state facilities	39,872	-	39,872	39,872	-
Tuition - other	129,132	(17,823)	111,309	111,294	15
Total	<u>3,619,930</u>	<u>21,537</u>	<u>3,641,467</u>	<u>3,613,247</u>	<u>28,220</u>
Undistributed expenditures - attendance & social work					
Salaries	19,237	400	19,637	19,616	21
Total	<u>19,237</u>	<u>400</u>	<u>19,637</u>	<u>19,616</u>	<u>21</u>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - health services					
Salaries	\$ 144,710	\$ 1,650	\$ 146,360	\$ 142,712	\$ 3,648
Purchased professional and technical services	7,500	6,979	14,479	14,479	-
Other purchased services	1,500	(1,275)	225	225	-
Supplies and materials	6,800	(3,615)	3,185	2,821	364
Other objects	400	(400)	-	-	-
<b>Total</b>	<b>160,910</b>	<b>3,339</b>	<b>164,249</b>	<b>160,237</b>	<b>4,012</b>
Undistributed expenditures - speech, OT, PT & related services					
Salaries	91,658	508	92,166	92,166	-
Purchased professional - educational services	42,100	(80)	42,020	34,340	7,680
Supplies and materials	500	(500)	-	-	-
<b>Total</b>	<b>134,258</b>	<b>(72)</b>	<b>134,186</b>	<b>126,506</b>	<b>7,680</b>
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	13,216	6,497	19,713	19,713	-
Purchased professional - educational services	208,050	129,725	337,775	239,965	97,810
Supplies and materials	2,500	(2,500)	-	-	-
Other objects	-	500	500	304	196
<b>Total</b>	<b>223,766</b>	<b>134,222</b>	<b>357,988</b>	<b>259,982</b>	<b>98,006</b>
Undistributed expenditures - guidance					
Salaries of other professional staff	65,052	(2,036)	63,016	61,588	1,428
Other purchased services	750	(192)	558	500	58
Supplies and materials	1,000	(619)	381	288	93
<b>Total</b>	<b>66,802</b>	<b>(2,847)</b>	<b>63,955</b>	<b>62,376</b>	<b>1,579</b>
Undistributed expenditures - child study teams					
Salaries of other professional staff	23,500	500	24,000	23,970	30
Purchased professional - educational services	192,040	1,458	193,498	193,498	-
Other purchased professional & technical services	5,000	9,691	14,691	14,681	10
Other purchased services	500	(500)	-	-	-
Supplies and materials	3,200	(1,779)	1,421	1,421	-
<b>Total</b>	<b>224,240</b>	<b>9,370</b>	<b>233,610</b>	<b>233,570</b>	<b>40</b>
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	23,790	(900)	22,890	21,617	1,273
Salaries of secretarial & clerical assist	55,274	4,805	60,079	59,968	111
Other purchased professional & technical services	280	(280)	-	-	-
Supplies and materials	3,850	(3,011)	839	839	-
Other objects	875	(614)	261	210	51
<b>Total</b>	<b>84,069</b>	<b>-</b>	<b>84,069</b>	<b>82,634</b>	<b>1,435</b>
Undistributed expenditures - edu. media service/sch. library					
Salaries	15,205	500	15,705	15,310	395
Purchased professional and technical services	46,428	(46,428)	-	-	-
Other purchased services	-	46,428	46,428	46,428	-
Supplies and materials	1,000	(1,000)	-	-	-
<b>Total</b>	<b>62,633</b>	<b>(500)</b>	<b>62,133</b>	<b>61,738</b>	<b>395</b>

See independent auditors' report.



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - instructional staff training services					
Other purchased services	\$ 1,750	\$ (1,750)	\$ -	\$ -	\$ -
Supplies and materials	1,500	(1,500)	-	-	-
Total	3,250	(3,250)	-	-	-
Undistributed expend. - support service - general admin.					
Salaries	136,921	(7,800)	129,121	125,580	3,541
Legal services	20,000	16,123	36,123	33,589	2,534
Audit fees	25,000	2,500	27,500	27,500	-
Architectural/engineering services	3,000	(3,000)	-	-	-
Other purchased professional services	14,500	(4,464)	10,036	10,026	10
Communications/telephone	22,120	(11,436)	10,684	10,468	216
BOE other purchased services	1,000	-	1,000	900	100
Miscellaneous purchased services	19,584	(5,014)	14,570	14,470	100
General supplies	3,200	(2,147)	1,053	344	709
BOE in-house training/meeting supplies	500	(500)	-	-	-
Miscellaneous expenditures	2,448	95	2,543	2,543	-
BOE membership dues and fees	5,250	(834)	4,416	4,416	-
Total	253,523	(16,477)	237,046	229,836	7,210
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	216,815	6,024	222,839	222,839	-
Salaries of secretarial and clerical assistants	43,030	(529)	42,501	41,585	916
Other purchased services	5,750	(2,535)	3,215	1,876	1,339
Supplies and materials	5,500	(3,372)	2,128	2,128	-
Other objects	2,930	-	2,930	2,065	865
Total	274,025	(412)	273,613	270,493	3,120
Undistributed expenditures - central services					
Salaries	21,096	76,350	97,446	97,442	4
Purchased professional services	89,842	(89,696)	146	-	146
Purchased technical services	11,550	(1,038)	10,512	10,511	1
Miscellaneous purchased services	5,500	2,437	7,937	7,881	56
Supplies and materials	7,350	(5,044)	2,306	2,306	-
Other objects	500	1,278	1,778	1,758	20
Total	135,838	(15,713)	120,125	119,898	227
Undistributed expenditures - admin. info. technology					
Purchased technical services	59,328	3,014	62,342	62,342	-
Supplies and materials	2,000	(457)	1,543	1,530	13
Other objects	250	-	250	188	62
Total	61,578	2,557	64,135	64,060	75
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	59,147	(6,540)	52,607	52,551	56
General supplies	13,400	(9,000)	4,400	3,480	920
Total	72,547	(15,540)	57,007	56,031	976

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 123,054	\$ 5,500	\$ 128,554	\$ 118,095	\$ 10,459
Cleaning, repair, and maintenance service	25,000	(17,318)	7,682	6,992	690
Other purchased property services	14,000	-	14,000	9,009	4,991
Insurance	11,800	358	12,158	12,158	-
Miscellaneous purchased services	11,000	(9,200)	1,800	1,313	487
General supplies	5,225	3,700	8,925	4,900	4,025
Energy (natural gas)	69,500	-	69,500	60,465	9,035
Energy (electricity)	131,500	(6,200)	125,300	97,222	28,078
Energy (gasoline)	4,000	-	4,000	-	4,000
Other objects	3,250	-	3,250	1,102	2,148
<b>Total</b>	<b>398,329</b>	<b>(23,160)</b>	<b>375,169</b>	<b>311,256</b>	<b>63,913</b>
Undistributed expenditures - care and upkeep of grounds					
Salaries	5,000	-	5,000	-	5,000
Cleaning, repair, and maintenance service	8,500	(6,000)	2,500	1,850	650
General supplies	5,000	-	5,000	3,004	1,996
<b>Total</b>	<b>18,500</b>	<b>(6,000)</b>	<b>12,500</b>	<b>4,854</b>	<b>7,646</b>
Undistributed expenditures - security					
Purchased professional and technical services	6,000	(5,000)	1,000	-	1,000
Cleaning, repair, and maintenance service	425	-	425	-	425
General supplies	1,500	-	1,500	158	1,342
<b>Total</b>	<b>7,925</b>	<b>(5,000)</b>	<b>2,925</b>	<b>158</b>	<b>2,767</b>
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	4,645	5,500	10,145	10,018	127
Salaries for pupil trans (other than between home & school)	2,500	(2,100)	400	-	400
Other purchased professional and technical service	5,000	(4,575)	425	425	-
Cleaning, repair, & maint. services	5,000	(2,500)	2,500	1,551	949
Contract serv. - aid in lieu pymts - non-public schools	36,449	12,546	48,995	47,189	1,806
Contr service (oth. than between home & school) - vend	-	1,170	1,170	1,170	-
Contract serv. (between home & school) - joint agreements	193,000	(55,725)	137,275	137,259	16
Contract service (sp ed stds) - vendors	20,000	23,988	43,988	39,097	4,891
Contract service (sp ed stds) - joint agreements	250,000	35,384	285,384	270,513	14,871
Miscellaneous purchased services - transportation	2,500	-	2,500	2,475	25
General supplies	1,900	(1,900)	-	-	-
Transportation supplies	7,500	2,000	9,500	6,814	2,686
Other objects	500	-	500	57	443
<b>Total</b>	<b>528,994</b>	<b>13,788</b>	<b>542,782</b>	<b>516,568</b>	<b>26,214</b>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Unallocated benefits - employee benefits					
Social Security contributions	\$ 100,000	\$ (10,000)	\$ 90,000	\$ 80,133	\$ 9,867
Other retirement contributions - PERS	85,000	-	85,000	84,652	348
Other retirement contributions - regular	10,000	-	10,000	8,826	1,174
Unemployment compensation	14,000	5,001	19,001	18,616	385
Workers' compensation	20,000	5,012	25,012	25,012	-
Health benefits	866,563	(89,436)	777,127	603,086	174,041
Tuition reimbursement	15,000	(9,689)	5,311	4,170	1,141
Other employee benefits	12,247	21,428	33,675	33,675	-
Total	<u>1,122,810</u>	<u>(77,684)</u>	<u>1,045,126</u>	<u>858,170</u>	<u>186,956</u>
On-behalf TPAF Pension contribution	-	-	-	950,056	(950,056)
On-behalf TPAF Non-contributory insurance	-	-	-	13,404	(13,404)
On-behalf TPAF Postretirement medical benefits	-	-	-	225,103	(225,103)
On-behalf TPAF Long-term disability insurance	-	-	-	218	(218)
Reimbursed TPAF Social Security contribution	-	-	-	210,792	(210,792)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,399,573</u>	<u>(1,399,573)</u>
Total undistributed expenditures	<u>\$ 7,473,164</u>	<u>\$ 18,558</u>	<u>\$ 7,491,722</u>	<u>\$ 8,450,803</u>	<u>\$ (959,081)</u>
Total current	<u>\$ 9,849,029</u>	<u>\$ 110,623</u>	<u>\$ 9,959,652</u>	<u>\$ 10,861,123</u>	<u>\$ (901,471)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - custodial services	\$ -	\$ 10,494	\$ 10,494	\$ 9,974	\$ 520
Total equipment	<u>-</u>	<u>10,494</u>	<u>10,494</u>	<u>9,974</u>	<u>520</u>
Facilities acquisition and construction service					
Construction services	-	22,080	22,080	22,080	-
Lease purchase agreements – principal	-	8,567	8,567	8,567	-
Assessment for debt service on SDA funding	45,886	-	45,886	45,886	-
Total facilities acquisition and construction service	<u>45,886</u>	<u>30,647</u>	<u>76,533</u>	<u>76,533</u>	<u>-</u>
Total capital outlay	<u>\$ 45,886</u>	<u>\$ 41,141</u>	<u>\$ 87,027</u>	<u>\$ 86,507</u>	<u>\$ 520</u>
Transfer of funds to charter schools	<u>\$ 67,254</u>	<u>\$ 29,632</u>	<u>\$ 96,886</u>	<u>\$ 96,539</u>	<u>\$ 347</u>
Total expenditures	<u>\$ 9,962,169</u>	<u>\$ 181,396</u>	<u>\$ 10,143,565</u>	<u>\$ 11,044,169</u>	<u>\$ (900,604)</u>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Excess (deficiency) of revenues over (under) expenditures	\$ (431,677)	\$ (159,316)	\$ (590,993)	\$ 419,447	\$ 1,010,440
Fund balances, July 1	2,843,884	-	2,843,884	2,843,884	-
Fund balances, June 30	<u>\$ 2,412,207</u>	<u>\$ (159,316)</u>	<u>\$ 2,252,891</u>	<u>\$ 3,263,331</u>	<u>\$ 1,010,440</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (7,346)	\$ -	\$ (7,346)	\$ (7,346)	\$ -
Interest deposit to capital reserve	500	-	500	256	(244)
Budgeted fund balance	(424,831)	(159,316)	(584,147)	426,537	1,010,684
Total	<u>\$ (431,677)</u>	<u>\$ (159,316)</u>	<u>\$ (590,993)</u>	<u>\$ 419,447</u>	<u>\$ 1,010,440</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 1,442,116	
Excess surplus - current year				688,243	
Capital reserve				433,650	
Committed fund balance					
Year-end encumbrances				5,667	
Unassigned fund balance				<u>693,655</u>	
Fund balance per budgetary basis				3,263,331	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(210,751)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 3,052,580</u>	

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 1,490,789	\$ -	\$ 1,481,335	\$ 744,988	\$ (736,347)
State sources	-	9,454	9,454	9,454	-
Local sources	-	13,689	13,689	13,689	-
	<u>\$ 1,490,789</u>	<u>\$ 23,143</u>	<u>\$ 1,504,478</u>	<u>\$ 768,131</u>	<u>\$ (736,347)</u>
Total revenues					
Expenditures					
Instruction					
Salaries	\$ 225,132	\$ 561	\$ 225,693	\$ 76,360	\$ 149,333
Purchased professional & technical services	6,250	-	6,250	-	6,250
General supplies	40,871	-	40,871	23,836	17,035
Total	<u>272,253</u>	<u>561</u>	<u>272,814</u>	<u>100,196</u>	<u>172,618</u>
Support services					
Tuition	159,966	16,901	176,867	176,867	-
Salaries	442,716	100,000	542,716	254,029	288,687
Employee benefits	147,978	(561)	147,417	89,419	57,998
Purchased professional & technical services	46,595	-	46,595	36,595	10,000
Purchased property services	25,000	-	25,000	-	25,000
Other purchased services	349,020	(178,901)	170,119	73,051	97,068
General supplies	47,261	-	47,261	24,285	22,976
Scholarships awarded	-	200	200	200	-
Student activities	-	12,899	12,899	12,899	-
Total	<u>1,218,536</u>	<u>(49,462)</u>	<u>1,169,074</u>	<u>667,345</u>	<u>501,729</u>
Capital outlay					
Facilities	-	32,000	32,000	-	32,000
Non-instructional equipment	-	30,000	30,000	-	30,000
Total	<u>-</u>	<u>62,000</u>	<u>62,000</u>	<u>-</u>	<u>62,000</u>
Total expenditures	<u>\$ 1,490,789</u>	<u>\$ 13,099</u>	<u>\$ 1,503,888</u>	<u>\$ 767,541</u>	<u>\$ 736,347</u>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule (Continued)**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 10,044	\$ 590	\$ 590	\$ -
Fund balances, July 1	<u>20,665</u>	<u>-</u>	<u>20,665</u>	<u>20,665</u>	<u>-</u>
Fund balances, June 30	<u>\$ 20,665</u>	<u>\$ 10,044</u>	<u>\$ 21,255</u>	<u>\$ 21,255</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 19,537	
Scholarship				<u>1,718</u>	
Fund balance per budgetary basis				<u>\$ 21,255</u>	

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**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2022**

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) "revenues" from the budgetary comparison schedules	\$ 11,463,616	\$ 768,131
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - current year	-	(9,454)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	194,642	-
State aid receivable current year	(210,751)	-
Total revenues (GAAP basis)	\$ 11,447,507	\$ 758,677
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,044,169	\$ 767,541
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - current year	-	(9,454)
Total expenditures (GAAP basis)	\$ 11,044,169	\$ 758,087

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**



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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2013	0.0071201665%	\$ 1,360,805	\$ 522,652	260.37%	48.72%
2014	0.0067831124%	1,269,984	501,836	253.07%	52.08%
2015	0.0073826512%	1,657,257	547,856	302.50%	47.93%
2016	0.0076731310%	2,272,561	570,432	398.39%	40.14%
2017	0.0074914194%	1,743,883	552,252	315.78%	48.10%
2018	0.0091497046%	1,801,531	673,600	267.45%	53.60%
2019	0.0078343348%	1,411,628	581,192	242.88%	56.27%
2020	0.0075590322%	1,232,680	566,524	217.59%	58.32%
2021	0.0072283176%	856,303	506,244	199.22%	70.33%
2022	N/A	N/A	429,838	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2015	\$ 55,919	\$ (55,919)	\$ -	\$ 547,856	10.21%
2016	63,471	(63,471)	-	570,432	11.13%
2017	68,167	(68,167)	-	552,252	12.34%
2018	69,400	(69,400)	-	673,600	10.30%
2019	91,010	(91,010)	-	581,192	15.66%
2020	76,205	(76,205)	-	566,524	13.45%
2021	82,692	(82,692)	-	506,244	16.33%
2022	84,652	(84,652)	-	429,838	19.69%

N/A = Information not available

See independent auditors' report.

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

	Proportionate share of net pension liability (asset)			Total	District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	0.00%	-	\$ 13,162,343	\$ 13,162,343	\$ 2,886,180	0.00%	33.76%
2014	0.00%	-	13,649,163	13,649,163	2,918,284	0.00%	33.64%
2015	0.00%	-	15,689,637	15,689,637	2,798,824	0.00%	28.71%
2016	0.00%	-	18,183,235	18,183,235	2,979,072	0.00%	22.33%
2017	0.00%	-	15,864,010	15,864,010	2,996,808	0.00%	25.41%
2018	0.00%	-	15,981,162	15,981,162	3,043,596	0.00%	26.49%
2019	0.00%	-	15,091,529	15,091,529	3,232,236	0.00%	26.95%
2020	0.00%	-	16,728,496	16,728,496	3,211,652	0.00%	24.60%
2021	0.00%	-	12,182,293	12,182,293	2,577,957	0.00%	35.52%
2022	N/A	N/A	N/A	N/A	2,664,725	N/A	N/A

N/A = Information not available

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District's Contributions**  
**Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	N/A	N/A	N/A	\$ 2,886,180	N/A
2014	168,677	(168,677)	-	2,918,284	5.78%
2015	108,482	(108,482)	-	2,798,824	3.88%
2016	133,409	(133,409)	-	2,979,072	4.48%
2017	184,083	(184,083)	-	2,996,808	6.14%
2018	264,208	(264,208)	-	3,043,596	8.68%
2019	379,736	(379,736)	-	3,232,236	11.75%
2020	494,431	(494,431)	-	3,211,652	15.39%
2021	575,671	(575,671)	-	2,577,957	22.33%
2022	742,594	(742,594)	-	2,664,725	27.87%

N/A = Information not available

See independent auditors' report.

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

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

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's				
	Percentage	Value	proportion				
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 16,584,411	\$ 16,584,411	\$ 3,173,083	0.00%	0.00%
2018	0.00%	-	14,190,332	14,190,332	3,313,529	0.00%	0.00%
2019	0.00%	-	12,602,642	12,602,642	3,276,387	0.00%	0.00%
2020	0.00%	-	19,941,926	19,941,926	3,223,444	0.00%	0.00%
2021	0.00%	-	17,719,896	17,719,896	3,084,201	0.00%	0.00%
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2022**

- Note 1 - Special funding situation - TPAF and other postretirement benefits  
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF  
The discount rate was 5.40% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% in State fiscal year 2020 and 2.75% in State fiscal year 2021.
- Note 3 - Changes in assumptions - PERS  
The discount rate was 7.00% in State fiscal year 2020 and 7.00% in State fiscal year 2021. The inflation rate was 2.75% for State fiscal year 2020 and 2.75% for State fiscal year 2021.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate decreased from 2.21% in State fiscal year 2020 to 2.16% in State fiscal year 2021. The inflation rate was 2.50% for State fiscal year 2020 and 2021.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits  
There was a decrease in liability from June 30, 2020 to June 30, 2021 due to employers adopting Chapter 44 provisions.



## **SPECIAL REVENUE FUND**

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues**  
**and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2022**

	Total Brought Forward	ARP IDEA Preschool	ESSA Title IA SIA	ESSA Title IA	ESSA Title II	Total
<b>Revenues</b>						
Federal sources	\$ 656,388	\$ 1,718	\$ 10,000	\$ 66,428	\$ 10,454	\$ 744,988
State sources	9,454	-	-	-	-	9,454
Local sources	13,689	-	-	-	-	13,689
<b>Total revenues</b>	<b>\$ 679,531</b>	<b>\$ 1,718</b>	<b>\$ 10,000</b>	<b>\$ 66,428</b>	<b>\$ 10,454</b>	<b>\$ 768,131</b>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ 34,699	\$ -	\$ -	\$ 41,661	\$ -	\$ 76,360
General supplies	600	-	5,676	17,560	-	23,836
<b>Total</b>	<b>35,299</b>	<b>-</b>	<b>5,676</b>	<b>59,221</b>	<b>-</b>	<b>100,196</b>
<b>Support services</b>						
Tuition	175,149	1,718	-	-	-	176,867
Salaries	254,029	-	-	-	-	254,029
Employee benefits	82,887	-	-	6,532	-	89,419
Purchased professional and technical services	26,141	-	-	-	10,454	36,595
Other purchased services	72,376	-	-	675	-	73,051
General supplies	19,961	-	4,324	-	-	24,285
Scholarships awarded	200	-	-	-	-	200
Student activities	12,899	-	-	-	-	12,899
<b>Total</b>	<b>643,642</b>	<b>1,718</b>	<b>4,324</b>	<b>7,207</b>	<b>10,454</b>	<b>667,345</b>
<b>Total expenditures</b>	<b>\$ 678,941</b>	<b>\$ 1,718</b>	<b>\$ 10,000</b>	<b>\$ 66,428</b>	<b>\$ 10,454</b>	<b>\$ 767,541</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 590	\$ -	\$ -	\$ -	\$ -	\$ 590
Fund balances, July 1	20,665	-	-	-	-	20,665
Fund balances, June 30	\$ 21,255	\$ -	\$ -	\$ -	\$ -	\$ 21,255

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues**  
**and Expenditures - Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Total Brought Forward	ESSA Title IV	CRRSA ESSER II	CRRSA Learning Acceleration	IDEA Basic	Total Carried Forward
<b>Revenues</b>						
Federal sources	\$ 226,810	\$ 7,081	\$ 284,981	\$ 3,029	\$ 134,487	\$ 656,388
State sources	9,454	-	-	-	-	9,454
Local sources	13,689	-	-	-	-	13,689
<b>Total revenues</b>	<b>\$ 249,953</b>	<b>\$ 7,081</b>	<b>\$ 284,981</b>	<b>\$ 3,029</b>	<b>\$ 134,487</b>	<b>\$ 679,531</b>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ 32,270	\$ -	\$ -	\$ 2,429	\$ -	\$ 34,699
General supplies	-	-	-	600	-	600
<b>Total</b>	<b>32,270</b>	<b>-</b>	<b>-</b>	<b>3,029</b>	<b>-</b>	<b>35,299</b>
<b>Support services</b>						
Tuition	40,662	-	-	-	134,487	175,149
Salaries	65,789	5,830	182,410	-	-	254,029
Employee benefits	15,713	-	67,174	-	-	82,887
Purchased professional and technical services	9,454	-	16,687	-	-	26,141
Other purchased services	72,376	-	-	-	-	72,376
General supplies	-	1,251	18,710	-	-	19,961
Scholarships awarded	200	-	-	-	-	200
Student activities	12,899	-	-	-	-	12,899
<b>Total</b>	<b>217,093</b>	<b>7,081</b>	<b>284,981</b>	<b>-</b>	<b>134,487</b>	<b>643,642</b>
<b>Total expenditures</b>	<b>\$ 249,363</b>	<b>\$ 7,081</b>	<b>\$ 284,981</b>	<b>\$ 3,029</b>	<b>\$ 134,487</b>	<b>\$ 678,941</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 590	\$ -	\$ -	\$ -	\$ -	\$ 590
Fund balances, July 1	20,665	-	-	-	-	20,665
Fund balances, June 30	\$ 21,255	\$ -	\$ -	\$ -	\$ -	\$ 21,255

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues**  
**and Expenditures - Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2022**

	Total Brought Forward	IDEA Preschool	ARP IDEA Basic	CRRSA Mental Health	ARP ESSER	Total Carried Forward
<b>Revenues</b>						
Federal sources	\$ -	\$ 3,554	\$ 20,207	\$ 37,830	\$ 165,219	\$ 226,810
State sources	9,454	-	-	-	-	9,454
Local sources	13,689	-	-	-	-	13,689
<b>Total revenues</b>	<b>\$ 23,143</b>	<b>\$ 3,554</b>	<b>\$ 20,207</b>	<b>\$ 37,830</b>	<b>\$ 165,219</b>	<b>\$ 249,953</b>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 32,270	\$ 32,270
General supplies	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,270</b>	<b>32,270</b>
<b>Support services</b>						
Tuition	-	3,554	20,207	-	16,901	40,662
Salaries	-	-	-	37,830	27,959	65,789
Employee benefits	-	-	-	-	15,713	15,713
Purchased professional and technical services	9,454	-	-	-	-	9,454
Other purchased services	-	-	-	-	72,376	72,376
General supplies	-	-	-	-	-	-
Scholarships awarded	200	-	-	-	-	200
Student activities	12,899	-	-	-	-	12,899
<b>Total</b>	<b>22,553</b>	<b>3,554</b>	<b>20,207</b>	<b>37,830</b>	<b>132,949</b>	<b>217,093</b>
<b>Total expenditures</b>	<b>\$ 22,553</b>	<b>\$ 3,554</b>	<b>\$ 20,207</b>	<b>\$ 37,830</b>	<b>\$ 165,219</b>	<b>\$ 249,363</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 590	\$ -	\$ -	\$ -	\$ -	\$ 590
Fund balances, July 1	20,665	-	-	-	-	20,665
Fund balances, June 30	\$ 21,255	\$ -	\$ -	\$ -	\$ -	\$ 21,255

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues**  
**and Expenditures - Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2022**

	State SDA	Scholarship Fund	Student Activities	Total Carried Forward
Revenues				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	9,454	-	-	9,454
Local sources	-	1	13,688	13,689
	<u>-</u>	<u>1</u>	<u>13,688</u>	<u>13,689</u>
Total revenues	<u>\$ 9,454</u>	<u>\$ 1</u>	<u>\$ 13,688</u>	<u>\$ 23,143</u>
Expenditures				
Instruction				
Salaries	\$ -	\$ -	\$ -	\$ -
General supplies	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services				
Tuition	-	-	-	-
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Purchased professional and technical services	9,454	-	-	9,454
Other purchased services	-	-	-	-
General supplies	-	-	-	-
Scholarships awarded	-	200	-	200
Student activities	-	-	12,899	12,899
Total	<u>9,454</u>	<u>200</u>	<u>12,899</u>	<u>22,553</u>
Total expenditures	<u>\$ 9,454</u>	<u>\$ 200</u>	<u>\$ 12,899</u>	<u>\$ 22,553</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (199)	\$ 789	\$ 590
Fund balances, July 1	<u>-</u>	<u>1,917</u>	<u>18,748</u>	<u>20,665</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ 1,718</u>	<u>\$ 19,537</u>	<u>\$ 21,255</u>

See independent auditors' report.

## **CAPITAL PROJECTS FUND**

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

(NOT APPLICABLE TO THIS REPORT)

## **PROPRIETARY FUNDS**

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

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

## **FIDUCIARY FUNDS**

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

(NOT APPLICABLE TO THIS REPORT)



## **LONG-TERM DEBT SCHEDULES**

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/21	Issued	Retired	Balance 06/30/22
			Date	Amount					
Refunding school bonds of 2013	04/23/13	\$ 5,600,000	08/01/22	\$ 480,000	2.000%	\$ 3,570,000	\$ -	\$ 455,000	\$ 3,115,000
			08/01/23	490,000	2.125%	-	-	-	-
			08/01/24	500,000	2.250%	-	-	-	-
			08/01/25	520,000	3.000%	-	-	-	-
			08/01/26	555,000	3.000%	-	-	-	-
			08/01/27	570,000	3.000%	-	-	-	-
								<u>\$ 3,570,000</u>	<u>\$ -</u>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations Under Leases**  
**For the Fiscal Year Ended June 30, 2022**

Description	Date of Lease	Amount of Original Issue	Balance 07/01/21	Issued	Retired	Balance 06/30/22
Computer equipment	08/10/20	\$ 45,976	\$ 36,130	-	\$ 8,567	\$ 27,563
			<u>\$ 36,130</u>	<u>-</u>	<u>\$ 8,567</u>	<u>\$ 27,563</u>

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 546,987	\$ -	\$ 546,987	\$ 546,987	\$ -
Total revenues	<u>546,987</u>	<u>-</u>	<u>546,987</u>	<u>546,987</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	455,000	-	455,000	455,000	-
Interest	91,988	-	91,988	91,988	-
Total expenditures	<u>546,988</u>	<u>-</u>	<u>546,988</u>	<u>546,988</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	-	(1)	(1)	-
Fund balance, July 1	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

See independent auditors' report.

## **STATISTICAL SECTION**

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Statistical Section J Series**

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Government activities										
Net investment in capital assets	\$ 8,256,627	\$ 8,256,506	\$ 8,204,663	\$ 8,185,833	\$ 8,236,747	\$ 8,338,841	\$ 8,432,941	\$ 8,619,499	\$ 8,762,047	\$ 8,984,426
Restricted	1,874,637	2,762,452	3,201,873	3,314,780	3,254,626	2,888,694	2,757,599	1,984,571	2,278,461	456,423
Unrestricted	57,294	(326,488)	(1,625,810)	(1,609,294)	(1,725,853)	(1,816,456)	(1,867,424)	(1,729,213)	(1,649,392)	871,069
Total governmental activities	<u>\$ 10,188,558</u>	<u>\$ 10,692,470</u>	<u>\$ 9,780,726</u>	<u>\$ 9,891,319</u>	<u>\$ 9,765,520</u>	<u>\$ 9,411,079</u>	<u>\$ 9,323,116</u>	<u>\$ 8,874,857</u>	<u>\$ 9,391,116</u>	<u>\$ 10,311,918</u>
Business-type activities										
Net investment in capital assets	\$ 92,627	\$ 82,143	\$ 71,774	\$ 61,520	\$ 51,267	\$ 41,014	\$ 31,908	\$ 21,800	\$ 11,691	\$ 48,614
Unrestricted	27,578	26,785	38,562	33,956	27,679	30,177	52,002	59,518	118,359	43,847
Total business-type activities	<u>\$ 120,205</u>	<u>\$ 108,928</u>	<u>\$ 110,336</u>	<u>\$ 95,476</u>	<u>\$ 78,946</u>	<u>\$ 71,191</u>	<u>\$ 83,910</u>	<u>\$ 81,318</u>	<u>\$ 130,050</u>	<u>\$ 92,461</u>
District-wide										
Net investment in capital assets	\$ 8,349,254	\$ 8,338,649	\$ 8,276,437	\$ 8,247,353	\$ 8,288,014	\$ 8,379,855	\$ 8,464,849	\$ 8,641,299	\$ 8,773,738	\$ 9,033,040
Restricted	1,874,637	2,762,452	3,201,873	3,314,780	3,254,626	2,888,694	2,757,599	1,984,571	2,278,461	456,423
Unrestricted	84,872	(299,703)	(1,587,248)	(1,575,338)	(1,698,174)	(1,786,279)	(1,815,422)	(1,669,695)	(1,531,033)	914,916
Total district-wide	<u>\$ 10,308,763</u>	<u>\$ 10,801,398</u>	<u>\$ 9,891,062</u>	<u>\$ 9,986,795</u>	<u>\$ 9,844,466</u>	<u>\$ 9,482,270</u>	<u>\$ 9,407,026</u>	<u>\$ 8,956,175</u>	<u>\$ 9,521,166</u>	<u>\$ 10,404,379</u>

\*

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

\* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,519,755	\$ 2,196,667	\$ 2,126,655	\$ 2,239,306	\$ 2,259,097	\$ 2,200,970	\$ 2,116,845	\$ 2,121,140	\$ 2,041,953	\$ 3,703,139
Special education	678,057	529,679	556,873	582,599	632,307	625,550	488,333	628,202	764,586	956,630
Other special education	63,336	55,889	56,759	57,698	78,816	85,174	147,442	96,978	64,611	265,750
Other instruction	34,485	29,904	33,145	33,820	42,374	38,809	38,683	41,840	-	6,430
Support services										
Tuition	2,636,234	2,272,329	2,142,259	2,088,965	2,140,904	2,462,622	2,626,817	3,029,119	3,134,693	3,790,114
Student & instruction related services	900,880	829,637	923,883	954,058	919,486	1,082,871	1,006,171	965,595	889,513	1,674,810
General & business administrative services	324,722	335,957	373,403	369,876	389,428	391,959	377,853	411,712	434,809	539,786
School administration	172,702	139,119	184,766	184,327	192,471	231,003	249,668	275,165	265,867	592,409
Plant operations & maintenance	653,238	573,507	557,603	654,692	575,884	620,275	631,685	637,187	556,460	585,679
Pupil transportation	304,423	161,467	205,793	232,962	257,069	370,770	368,678	435,610	411,211	519,409
Unallocated benefits	541,090	1,416,680	2,169,768	2,578,536	3,183,443	3,560,537	3,056,423	2,590,481	3,117,257	-
Transfer to charter schools	-	-	-	-	-	-	-	-	60,757	96,539
Interest on long-term debt	659,785	202,714	215,376	206,159	199,183	186,465	174,802	162,552	150,428	127,654
Total governmental activities expenses	<u>9,488,707</u>	<u>8,743,549</u>	<u>9,546,283</u>	<u>10,182,998</u>	<u>10,870,462</u>	<u>11,857,005</u>	<u>11,283,400</u>	<u>11,395,581</u>	<u>11,892,145</u>	<u>12,858,349</u>
Business-type activities										
Food services	166,949	170,831	164,519	167,313	173,357	168,652	177,281	147,166	129,097	269,352
Child care	99,599	110,170	107,559	109,993	105,959	98,752	101,080	103,215	2,386	2,000
Total business-type activities	<u>266,548</u>	<u>281,001</u>	<u>272,078</u>	<u>277,306</u>	<u>279,316</u>	<u>267,404</u>	<u>278,361</u>	<u>250,381</u>	<u>131,483</u>	<u>271,352</u>
Total district expenses	<u>\$ 9,755,255</u>	<u>\$ 9,024,550</u>	<u>\$ 9,818,361</u>	<u>\$ 10,460,304</u>	<u>\$ 11,149,778</u>	<u>\$ 12,124,409</u>	<u>\$ 11,561,761</u>	<u>\$ 11,645,962</u>	<u>\$ 12,023,628</u>	<u>\$ 13,129,701</u>

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

See independent auditors' report.



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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues										
Governmental activities										
Charges for services	\$ 7,121	\$ 22,178	\$ 13,299	\$ 64,349	\$ 8,751	\$ 58,133	\$ 74,670	\$ 58,559	\$ 88,215	\$ 83,245
Capital grants & contributions	-	-	-	-	-	-	-	-	15,351	-
Operating grants & contributions	779,518	739,877	1,383,833	1,612,477	2,017,787	2,460,535	1,914,193	1,487,739	2,436,763	744,989
Total governmental activities	<u>786,639</u>	<u>762,055</u>	<u>1,397,132</u>	<u>1,676,826</u>	<u>2,026,538</u>	<u>2,518,668</u>	<u>1,988,863</u>	<u>1,546,298</u>	<u>2,540,329</u>	<u>828,234</u>
Business-type activities										
Charges for services										
Food service	68,131	68,269	63,933	69,748	68,509	68,721	72,869	48,766	2,945	592
Child care	104,841	109,840	119,356	97,921	89,832	94,692	123,759	93,431	-	-
Operating grants & contributions	85,343	85,982	90,105	94,516	104,041	94,691	92,738	104,634	177,183	234,837
Total business - type activities	<u>258,315</u>	<u>264,091</u>	<u>273,394</u>	<u>262,185</u>	<u>262,382</u>	<u>258,104</u>	<u>289,366</u>	<u>246,831</u>	<u>180,128</u>	<u>235,429</u>
Total district-wide program revenues	<u>\$ 1,044,954</u>	<u>\$ 1,026,146</u>	<u>\$ 1,670,526</u>	<u>\$ 1,939,011</u>	<u>\$ 2,288,920</u>	<u>\$ 2,776,772</u>	<u>\$ 2,278,229</u>	<u>\$ 1,793,129</u>	<u>\$ 2,720,457</u>	<u>\$ 1,063,663</u>
Net (expense) revenues										
Governmental activities	\$ (8,702,068)	\$ (7,981,494)	\$ (8,149,151)	\$ (8,506,172)	\$ (8,843,924)	\$ (9,338,337)	\$ (9,294,537)	\$ (9,849,283)	\$ (9,351,816)	\$ (12,030,115)
Business - type activities	(8,233)	(16,910)	1,316	(15,121)	(16,934)	(9,300)	11,005	(3,550)	48,645	(35,923)
Total district-wide net expenses	<u>\$ (8,710,301)</u>	<u>\$ (7,998,404)</u>	<u>\$ (8,147,835)</u>	<u>\$ (8,521,293)</u>	<u>\$ (8,860,858)</u>	<u>\$ (9,347,637)</u>	<u>\$ (9,283,532)</u>	<u>\$ (9,852,833)</u>	<u>\$ (9,303,171)</u>	<u>\$ (12,066,038)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 5,434,251	\$ 5,487,550	\$ 5,597,301	\$ 5,560,840	\$ 5,672,057	\$ 5,785,498	\$ 5,959,063	\$ 6,139,827	\$ 6,481,214	\$ 6,675,848
Taxes levied for debt service	421,108	436,592	383,339	419,800	425,255	521,017	524,563	532,563	544,887	546,987
Unrestricted grants & contributions	2,447,834	2,466,668	2,537,911	2,550,213	2,530,284	2,563,901	2,607,616	2,625,346	2,789,447	5,569,801
Investment earnings	2,700	3,053	3,410	6,104	-	37,849	49,571	37,187	2,884	2,095
Miscellaneous income	98,595	97,107	76,250	79,808	90,530	75,631	65,761	66,102	22,757	156,186
Transfer out	-	(5,563)	-	-	-	-	-	-	-	-
Total governmental activities	<u>8,404,488</u>	<u>8,485,407</u>	<u>8,598,211</u>	<u>8,616,765</u>	<u>8,718,126</u>	<u>8,983,896</u>	<u>9,206,574</u>	<u>9,401,025</u>	<u>9,841,189</u>	<u>12,950,917</u>
Business-type activities										
Investment earnings	58	70	93	263	404	1,545	1,714	958	88	48
Miscellaneous income	-	-	-	-	-	-	-	-	-	116
Transfer in	-	5,563	-	-	-	-	-	-	-	-
Total business-type activities	<u>58</u>	<u>5,633</u>	<u>93</u>	<u>263</u>	<u>404</u>	<u>1,545</u>	<u>1,714</u>	<u>958</u>	<u>88</u>	<u>164</u>
Total district-wide	<u>\$ 8,404,546</u>	<u>\$ 8,491,040</u>	<u>\$ 8,598,304</u>	<u>\$ 8,617,028</u>	<u>\$ 8,718,530</u>	<u>\$ 8,985,441</u>	<u>\$ 9,208,288</u>	<u>\$ 9,401,983</u>	<u>\$ 9,841,277</u>	<u>\$ 12,951,081</u>
Change in net position										
Governmental activities	\$ (297,580)	\$ 503,913	\$ 449,060	\$ 110,593	\$ (125,798)	\$ (354,441)	\$ (87,963)	\$ (448,258)	\$ 489,373	\$ 920,802
Business-type activities	(8,175)	(11,277)	1,409	(14,858)	(16,530)	(7,755)	12,719	(2,592)	48,733	(35,759)
Total district	<u>\$ (305,755)</u>	<u>\$ 492,636</u>	<u>\$ 450,469</u>	<u>\$ 95,735</u>	<u>\$ (142,328)</u>	<u>\$ (362,196)</u>	<u>\$ (75,244)</u>	<u>\$ (450,850)</u>	<u>\$ 538,106</u>	<u>\$ 885,043</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Restricted	\$ 1,934,329	\$ 2,682,674	\$ 3,164,900	\$ 3,309,226	\$ 3,254,605	\$ 2,888,693	\$ 2,757,597	\$ 1,984,569	\$ 2,257,794	\$ 2,564,009
Committed	-	-	-	-	-	-	-	-	-	5,667
Assigned	8,070	58,835	31,438	39,007	96,520	40,975	88,358	212,903	49,893	-
Unassigned	303,954	34,245	75,851	110,787	84,117	120,501	123,169	124,758	341,555	482,904
Total general fund	<u>\$ 2,246,353</u>	<u>\$ 2,775,754</u>	<u>\$ 3,272,189</u>	<u>\$ 3,459,020</u>	<u>\$ 3,435,242</u>	<u>\$ 3,050,169</u>	<u>\$ 2,969,124</u>	<u>\$ 2,322,230</u>	<u>\$ 2,649,242</u>	<u>\$ 3,052,580</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,665	\$ 21,255
Debt service fund	2	25,825	5,534	5,554	22	1	2	2	2	1
Total all other governmental funds	<u>\$ 2</u>	<u>\$ 25,825</u>	<u>\$ 5,534</u>	<u>\$ 5,554</u>	<u>\$ 22</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 20,667</u>	<u>\$ 21,256</u>
							*			

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

\* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 5,855,359	\$ 5,924,142	\$ 5,980,640	\$ 5,980,640	\$ 6,097,312	\$ 6,306,515	\$ 6,483,626	\$ 6,672,390	\$ 7,026,101	\$ 7,222,835
Tuition charges	-	-	-	-	-	-	-	-	-	23,684
Interest earnings	-	-	-	-	-	-	-	-	-	2,091
Miscellaneous	101,290	114,296	84,060	141,160	90,491	161,347	181,061	151,924	103,552	205,314
State sources	2,988,924	2,929,595	3,064,860	3,145,849	3,209,257	3,387,254	3,521,794	3,595,656	3,962,076	4,554,259
Federal sources	238,428	276,951	256,637	243,909	237,251	263,343	252,615	248,810	426,602	744,988
<b>Total revenues</b>	<b>9,184,001</b>	<b>9,244,984</b>	<b>9,386,197</b>	<b>9,511,558</b>	<b>9,634,311</b>	<b>10,118,459</b>	<b>10,439,096</b>	<b>10,668,780</b>	<b>11,518,331</b>	<b>12,753,171</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	1,830,332	1,831,308	1,850,057	1,943,896	1,961,283	1,909,726	1,824,839	1,839,985	1,748,105	1,856,842
Special education instruction	506,239	529,679	556,873	582,599	632,307	625,550	488,333	628,202	764,586	526,727
Other special instruction	63,336	55,889	56,759	57,698	78,816	85,174	147,442	96,978	64,611	121,961
Other instruction	32,296	29,904	33,145	33,820	42,374	38,809	38,683	41,840	60,757	4,986
<b>Support services</b>										
Tuition	2,636,234	2,272,329	2,142,259	2,088,965	2,140,904	2,462,622	2,626,816	3,029,119	3,134,693	3,790,114
Student & inst related services	806,315	829,637	923,883	954,058	919,486	1,082,872	1,006,171	965,595	889,513	1,215,854
General administration	170,893	153,928	156,357	163,461	191,189	213,676	205,521	231,433	249,482	229,835
School administration services	147,295	158,158	169,959	179,168	205,564	220,738	240,727	265,242	254,567	270,494
Central services	95,657	141,697	124,088	124,697	128,505	120,314	119,251	121,072	125,021	119,899
Administrative information technology	10,225	40,332	92,958	81,718	69,734	57,969	52,086	58,212	59,430	64,059
Plant operations & maintenance	534,721	567,403	545,406	641,524	559,676	598,459	609,086	616,451	541,195	554,709
Pupil transportation	283,525	148,887	193,213	224,240	249,632	363,333	361,243	428,173	403,775	516,568
Employee benefits	865,069	953,753	1,047,229	1,152,842	1,239,903	1,290,156	1,288,952	1,358,505	1,113,207	947,589
On-behalf TPAF Pension & Social Security contribution	541,090	462,927	522,949	587,636	670,973	820,414	914,178	970,310	1,172,629	1,399,573
Transfer to charter schools	-	-	-	-	-	-	-	-	-	96,539
Capital outlay	97,395	97,597	85,754	42,699	96,603	46,818	26,361	86,108	61,327	32,054
<b>Debt service</b>										
Principal	170,000	265,000	235,000	255,000	275,000	375,000	390,000	410,000	444,846	463,567
Interest & other charges	253,912	145,769	174,163	210,686	201,674	191,923	180,449	168,449	155,774	137,874
<b>Total expenditures</b>	<b>9,044,534</b>	<b>8,684,197</b>	<b>8,910,052</b>	<b>9,324,707</b>	<b>9,663,623</b>	<b>10,503,553</b>	<b>10,520,138</b>	<b>11,315,674</b>	<b>11,243,518</b>	<b>12,349,244</b>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (deficiency) of revenues over (under) expenditures	\$ 139,467	\$ 560,787	\$ 476,145	\$ 186,851	\$ (29,312)	\$ (385,094)	\$ (81,042)	\$ (646,894)	\$ 274,813	\$ 403,927
Other financing sources (uses)										
Assets acquired by lease	-	-	-	-	-	-	-	-	45,976	-
Transfers out	-	(5,563)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(5,563)	-	-	-	-	-	-	45,976	-
Net change in fund balances	<u>\$ 139,467</u>	<u>\$ 555,224</u>	<u>\$ 476,145</u>	<u>\$ 186,851</u>	<u>\$ (29,312)</u>	<u>\$ (385,094)</u>	<u>\$ (81,042)</u>	<u>\$ (646,894)</u>	<u>\$ 320,789</u>	<u>\$ 403,927</u>
Debt service as a percentage of non-capital expenditures	4.97%	5.02%	4.86%	5.28%	5.24%	5.73%	5.75%	5.43%	5.68%	5.13%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.  
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Interest income	\$ 2,700	\$ 3,053	\$ 3,410	\$ 6,104	\$ 14,861	\$ 37,849	\$ 49,571	\$ 37,187	\$ 2,878	\$ 2,091
Miscellaneous Facility Use	1,590	-	6,662	6,452	7,523	5,594	-	8,330	160	20,000
Rental or Library	7,605	8,282	-	-	-	7,385	7,751	7,729	7,583	7,528
Refund of Prior Year Expenditures	-	31,540	799	314	-	6,143	-	-	10,260	75,721
E-Rate	-	-	-	-	-	-	-	-	-	57,885
Tuition	33,284	14,142	-	-	-	-	-	-	-	23,684
JIF Safety Award	3,000	1,000	1,000	10,000	4,500	2,000	3,500	-	3,500	3,000
Sale of Assets	3,000	-	3,020	592	-	-	-	-	-	1,675
Ex Care Facility Use	50,000	53,000	53,000	53,000	53,000	50,000	53,000	50,000	-	-
Other	-	3,166	1,909	511	332	1,417	1,375	-	1,254	25,816
<b>Annual totals</b>	<b>\$ 101,179</b>	<b>\$ 114,183</b>	<b>\$ 69,800</b>	<b>\$ 76,973</b>	<b>\$ 80,216</b>	<b>\$ 110,388</b>	<b>\$ 115,197</b>	<b>\$ 103,246</b>	<b>\$ 25,635</b>	<b>\$ 217,400</b>

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vacant land	\$ 6,858,350	\$ 4,083,600	\$ 4,381,800	\$ 4,214,200	\$ 3,818,200	\$ 3,133,600	\$ 3,016,500	\$ 4,821,700	\$ 4,265,000	\$ 4,164,400
Residential	416,473,860	334,111,100	334,027,600	335,916,900	338,704,300	338,334,700	340,331,700	339,975,400	344,236,300	356,034,700
Farmland	1,022,600	1,047,000	1,047,300	900,300	900,300	899,600	899,600	899,000	899,000	885,100
Commercial	23,627,300	19,578,400	19,578,400	19,469,200	19,558,000	19,819,900	19,819,900	20,089,100	19,889,100	20,305,600
Industrial	34,768,800	31,463,700	31,231,800	31,794,100	31,794,100	32,278,000	32,278,000	33,590,100	33,590,100	33,590,100
Apartment	1,365,000	1,399,100	1,374,400	1,374,400	979,900	979,900	979,900	979,900	979,900	979,900
<b>Total assessed value</b>	<b>484,115,910</b>	<b>391,682,900</b>	<b>391,641,300</b>	<b>393,669,100</b>	<b>395,754,800</b>	<b>395,445,700</b>	<b>397,325,600</b>	<b>400,355,200</b>	<b>403,859,400</b>	<b>415,959,800</b>
Public utilities (a)	418,616	353,600	94	94	95	95	96	93	91	86
<b>Net valuation taxable</b>	<b>\$ 484,534,526</b>	<b>\$ 392,036,500</b>	<b>\$ 391,641,394</b>	<b>\$ 393,669,194</b>	<b>\$ 395,754,895</b>	<b>\$ 395,445,795</b>	<b>\$ 397,325,696</b>	<b>\$ 400,355,293</b>	<b>\$ 403,859,491</b>	<b>\$ 415,959,886</b>
Estimated actual county equalized value	\$ 419,071,204	\$ 410,321,048	\$ 417,839,959	\$ 417,863,390	\$ 417,551,055	\$ 417,553,302	\$ 415,569,179	\$ 428,875,415	\$ 441,472,981	\$ 485,197,580
Percentage of net valuation to estimated actual equalized value	115.62%	95.54%	93.73%	94.21%	94.78%	94.71%	95.61%	93.35%	91.48%	85.73%
<b>Total direct school tax rate (b)</b>	<b>\$ 1.221</b>	<b>\$ 1.525</b>	<b>\$ 1.527</b>	<b>\$ 1.549</b>	<b>\$ 1.593</b>	<b>\$ 1.640</b>	<b>\$ 1.679</b>	<b>\$ 1.755</b>	<b>\$ 1.788</b>	<b>\$ 1.769</b>

\*

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.

(b) Tax rates are per \$100.

\* Revaluation

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Municipality	County	Fire District	
2013	\$ 1.131	\$ 0.090	\$ 1.221	\$ 0.724	\$ 0.329	\$ 0.067	\$ 2.341
2014	* 1.415	0.110	1.525	0.937	0.398	0.083	2.943
2015	1.427	0.100	1.527	0.961	0.448	0.083	3.019
2016	1.439	0.110	1.549	1.000	0.438	0.083	3.070
2017	1.483	0.110	1.593	1.041	0.436	0.093	3.163
2018	1.500	0.140	1.640	1.053	0.428	0.103	3.224
2019	1.539	0.140	1.679	1.076	0.423	0.112	3.290
2020	1.615	0.140	1.755	1.080	0.429	0.120	3.384
2021	1.648	0.140	1.788	1.096	0.434	0.119	3.437
2022	1.639	0.130	1.769	1.118	0.445	0.116	3.448

Sources: Municipal Tax Collector

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

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

\* Revaluation

See independent auditors' report.



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

	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
2700 Burlington LLC	\$ 6,763,500	1	1.63%	\$ -		-
800 Coopertown Road LLC	5,995,400	2	1.44%	-		-
600 Creek Rd LLC	5,778,700	3	1.39%	-		-
FRG X NJII LP	3,684,400	4	0.89%	-		-
Fedex Freight Inc	2,469,500	5	0.59%	3,400,000	5	0.70%
Delanco Realty	2,140,500	6	0.51%	2,300,000	7	0.47%
Boise Cascade Building Materials	2,100,000	7	0.50%	2,100,000	8	0.43%
Metropolis Delanco LLC	2,000,000	8	0.48%	-		-
Delanco 10 Holdings LLC	1,550,000	9	0.37%	-		-
Allison Stohner LLC	1,534,300	10	0.37%	-		-
First Industrial LP	-		-	6,539,800	1	1.35%
EREG Delanco 800 LLC	-		-	6,100,800	2	1.26%
EREG Delanco 2700 LLC	-		-	6,025,500	3	1.24%
John Bruce Investment Company LLC	-		-	3,500,000	4	0.72%
Costume Gallery Inc	-		-	2,523,200	6	0.52%
Colson Development LLC	-		-	1,963,000	9	0.41%
Delanco Savings & Loan	-		-	1,950,000	10	0.40%
	<u>\$ 34,016,300</u>		<u>8.17%</u>	<u>\$ 36,402,300</u>		<u>7.50%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2013	\$ 5,855,359	\$ 5,855,359	100.00%
2014	5,924,142	5,924,142	100.00%
2015	5,980,640	5,980,640	100.00%
2016	5,980,640	5,980,640	100.00%
2017	6,097,312	6,097,312	100.00%
2018	6,306,515	6,306,515	100.00%
2019	6,483,626	6,483,626	100.00%
2020	6,672,390	6,672,390	100.00%
2021	7,026,101	7,026,101	100.00%
2022	7,222,835	7,222,835	100.00%

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2013	\$ 6,210,000	\$ -	\$ -	\$ -	\$ -	\$ 6,210,000	2.70%	\$ 1,378
2014	5,945,000	-	-	-	-	5,945,000	2.54%	1,312
2015	5,710,000	-	-	-	-	5,710,000	2.36%	1,262
2016	5,455,000	-	-	-	-	5,455,000	2.17%	1,212
2017	5,180,000	-	-	-	-	5,180,000	2.01%	1,159
2018	4,805,000	-	-	-	-	4,805,000	1.82%	1,079
2019	4,415,000	-	-	-	-	4,415,000	1.63%	994
2020	4,005,000	-	-	-	-	4,005,000	1.42%	903
2021	3,570,000	-	36,130	-	-	3,606,130	1.21%	815
2022	3,115,000	-	27,563	-	-	3,142,563	N/A	653

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 6,210,000	\$ -	\$ 6,210,000	1.28%	\$ 1,378
2014	5,945,000	-	5,945,000	1.52%	1,312
2015	5,710,000	-	5,710,000	1.46%	1,262
2016	5,455,000	-	5,455,000	1.39%	1,212
2017	5,180,000	-	5,180,000	1.31%	1,159
2018	4,805,000	-	4,805,000	1.22%	1,079
2019	4,415,000	-	4,415,000	1.11%	994
2020	4,005,000	-	4,005,000	1.00%	903
2021	3,570,000	-	3,570,000	0.88%	807
2022	3,115,000	-	3,115,000	0.75%	647

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

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

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2021**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 2,510,933	100.00%	\$ 2,510,933
County general obligation debt	182,924,161	0.89%	<u>1,624,875</u>
Subtotal, overlapping debt			4,135,808
School district direct debt			<u>3,115,000</u>
Total direct and overlapping debt			<u><u>\$ 7,250,808</u></u>

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

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

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

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis	
	2021	\$ 471,082,935
	2020	437,642,326
	2019	425,629,995
		\$ 1,334,355,256
Average equalized valuation of taxable property		\$ 444,785,085
Debt limit (3.0% of average equalization value)	(a)	\$ 13,343,553
Total net debt applicable to limit		3,115,000
Legal debt margin		\$ 10,228,553

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt limit	\$ 12,489,209	\$ 12,468,128	\$ 12,570,924	\$ 12,768,752	\$ 13,343,553
Total net debt applicable	4,805,000	4,415,000	4,005,000	3,570,000	3,115,000
Legal debt margin	\$ 7,684,209	\$ 8,053,128	\$ 8,565,924	\$ 9,198,752	\$ 10,228,553
Total net debt applicable to the limit as a percentage of debt limit	38.47%	35.41%	31.86%	27.96%	23.34%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 13,726,644	\$ 13,035,390	\$ 12,601,883	\$ 12,484,474	\$ 12,489,456
Total net debt applicable	6,210,000	5,945,000	5,710,000	5,455,000	5,180,000
Legal debt margin	\$ 7,516,644	\$ 7,090,390	\$ 6,891,883	\$ 7,029,474	\$ 7,309,456
Total net debt applicable to the limit as a percentage of debt limit	45.24%	45.61%	45.31%	43.69%	41.47%

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 N.J.S.A. 18A:24-19.

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2013	4,506	\$ 229,806,000	\$ 51,000	7.5%
2014	4,530	233,942,790	51,643	8.0%
2015	4,524	242,359,728	53,572	6.5%
2016	4,499	251,606,575	55,925	4.2%
2017	4,468	257,280,844	57,583	4.1%
2018	4,453	263,933,763	59,271	3.6%
2019	4,441	271,522,740	61,140	3.1%
2020	4,436	281,810,208	63,528	8.5%
2021	4,426	297,223,604	67,154	5.9%
2022	4,811	N/A	N/A	N/A

Sources:

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

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**

2022

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

2013

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

See independent auditors' report.



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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	26	26	27	28	29	25	22	21	19	20
Special education	19	13	12	14	14	15	11	10	8	12
Support Services										
Student and Instruction										
Related Services	3	7	7	8	8	8	8	7	13	8
General Administrative Services	2	2	1	1	1	1	1	1	2	1
School Administrative Services	-	2	2	2	2	3	3	3	4	4
Business Administrative Services	1	1	1	1	1	1	1	1	1	2
Plant Operations and Maintenance	9	6	6	6	6	6	6	6	6	5
Pupil Transportation	2	1	1	1	1	2	1	1	1	1
Total	<u>62</u>	<u>58</u>	<u>57</u>	<u>61</u>	<u>62</u>	<u>61</u>	<u>53</u>	<u>50</u>	<u>54</u>	<u>53</u>

Source: District Personnel Records

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment ( ADE ) ( c )	Average Daily Attendance ( ADA ) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	387	\$ 8,523,227	\$ 22,024	10.69%	37.0	1 to 10.46	386.0	369.0	-1.78%	95.60%
2014	391	8,175,831	20,910	-5.06%	34.0	1 to 11.50	390.0	374.0	1.04%	95.90%
2015	387	8,415,135	21,745	3.99%	36.0	1 to 10.75	387.0	368.0	-0.77%	95.09%
2016	392	8,816,322	22,491	3.43%	34.0	1 to 11.53	392.0	374.0	1.29%	95.41%
2017	398	9,090,346	22,840	1.55%	35.0	1 to 11.37	398.0	380.0	1.53%	95.48%
2018	401	9,889,812	24,663	7.98%	40.0	1 to 10.03	401.0	382.0	0.75%	95.26%
2019	401	9,923,328	24,746	0.34%	33.0	1 to 12.15	401.0	382.0	0.00%	95.26%
2020	410	10,651,117	25,978	4.98%	32.0	1 to 12.81	410.0	387.0	2.24%	94.39%
2021	390	10,581,571	27,132	4.44%	30.0	1 to 13.00	393.0	369.0	-4.15%	93.89%
2022	371	11,715,749	31,579	16.39%	37.0	1 to 10.03	366.5	339.3	-6.75%	92.58%

Source: District Records

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

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary (1961)</u>										
Square feet	54,212	54,212	54,212	54,212	54,212	54,212	54,212	54,212	54,212	54,212
Capacity (students)	432	432	432	432	432	432	432	432	432	432
Enrollment	265	285	275	266	262	256	272	263	241	226
<u>Middle School (1925)</u>										
Square feet	29,475	29,475	29,475	29,475	29,475	29,475	29,475	29,475	29,475	29,475
Capacity (students)	207	207	207	207	207	207	207	207	207	207
Enrollment	123	102	116	121	130	142	129	128	149	145
<u>Number of schools at June 30, 2022:</u>										
Elementary	1									
Middle School	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed expenditures - Required maintenance for school facilities

Fiscal Year Ending	Pearson Elementary School	Walnut Street Middle School	Total
2013	\$ 17,603	\$ 14,285	\$ 31,888
2014	31,959	16,144	48,103
2015	23,324	8,946	32,270
2016	85,104	30,304	115,408
2017	27,997	7,226	35,223
2018	13,370	13,727	27,097
2019	41,246	14,462	55,708
2020	53,948	19,763	73,711
2021	39,598	7,566	47,164
2022	46,691	9,340	56,031
Total school facilities	<u>\$ 380,840</u>	<u>\$ 141,763</u>	<u>\$ 522,603</u>

Source: District Records

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

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2022**  
**(Unaudited)**

	Coverage	Deductible
Burlington County Insurance Pool Joint Insurance Fund		
Property, Inland Marine and Auto Physical Damage		
Limit of Liability	\$ 175,000,000	\$ 500
BCIP JIF Self Insured Retention	250,000	-
Property Valuation		
Buildings and Contents	Replacement Cost	-
Contractors Equipment	Actual Cash Value	-
Automobiles	Replacement Cost	-
Boiler and Machinery		
Limit of Liability	125,000,000	1,000
BCIP JIF Self Insured Retention	None	-
Crime		
Limit of Liability	500,000	500
BCIP JIF Self Insured Retention	250,000	-
General and Auto Liability		
Limit of Liability	20,000,000	None
BCIP JIF Self Insured Retention	250,000	-
Workers Compensation		
Limit of Liability	Statutory	None
BCIP JIF Self Insured Retention	250,000	-
Educator's Legal Liability		
Limit of Liability	20,000,000	None
BCIP JIF Self Insured Retention	250,000	-
Pollution Legal Liability		
Limit of Liability	3,000,000	-
BCIP JIF Self Insured Retention	None	-
Pollution Incident	-	25,000
Mold Incident	-	100,000

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule (continued)**  
**June 30, 2022**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund (continued)		
Cyber Liability		
Limit of Liability	\$ 2,000,000	\$ 50,000
BCIP JIF Self Insured Retention	None	-
Crisis Protection and Disaster Management Services		
Limit of Liability	1,000,000	-
BCIP JIF Self Insured Retention	None	-
Zurich American Insurance Company		
Student Accident Liability	1,000,000	-
Selective Insurance Company of America		
Public Official Bond - School Business Administrator/Board Secretary	200,000	-

Source: District Records

See independent auditors' report.

**SINGLE AUDIT SECTION**

**OTHER AUDITING REUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART I**





Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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

Honorable President and  
Members of the Board of Education  
Delanco Township School District  
Delanco, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delanco Township School District (the District) in the County of Burlington, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 6, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Delanco Township School District’s Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on Delanco Township School District’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District’s response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



**BKC, CPAs, PC**



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

March 6, 2023  
Flemington, New Jersey



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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

Honorable President and  
Members of the Board of Education  
Delanco Township School District  
Delanco, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Delanco Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The 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.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2022-01. Our opinion on each major federal and state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 and 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 and 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-01 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



**BKC, CPAs, PC**



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

March 6, 2023  
Flemington, New Jersey

**SUPPLEMENTARY INFORMATION**

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Fiscal Year Ended June 30, 2022**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/21	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2022				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027A	H027A200100	IDEA-1030-21	\$ 138,133	07/01/20	06/30/21	\$ (3,431)	\$ -	\$ 3,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
IDEA Basic	84.027A	H027A210100	IDEA-1030-22	134,487	07/01/21	06/30/22	-	-	117,472	134,487	-	-	(17,015)	-	-		
IDEA Preschool	84.173A	H173S210114	IDEA-1030-22	3,554	07/01/21	06/30/22	-	-	1,569	3,554	-	-	(1,985)	-	-		
Total special education cluster (IDEA)							(3,431)	-	122,472	138,041	-	-	(19,000)	-	-		
Title I A	84.010A	S010A200030	ESSA-1030-21	87,030	07/01/20	06/30/21	(86,762)	-	86,762	-	-	-	-	-	-		
Title I A	84.010A	S010A210030	ESSA-1030-22	74,099	07/01/21	06/30/22	-	-	57,226	66,428	-	-	(9,202)	-	-		
Title IA SIA	84.010A	S010A200030	ESSA-1030-21	11,300	07/01/20	06/30/21	(11,300)	-	11,300	-	-	-	-	-	-		
Title IA SIA	84.010A	S010A210030	ESSA-1030-22	10,000	07/01/21	06/30/22	-	-	10,000	10,000	-	-	-	-	-		
Title IIA	84.367A	S367A200029	ESSA-1030-21	12,626	07/01/20	06/30/21	(12,262)	-	-	-	-	-	-	-	-		
Title IIA	84.367A	S367A210029	ESSA-1030-22	10,454	07/01/21	06/30/22	-	-	8,400	10,454	-	-	(2,054)	-	-		
Title IV	84.424A	S424A200031	ESSA-1030-21	10,000	07/01/20	06/30/21	(10,000)	-	10,000	-	-	-	-	-	-		
Title IV	84.424A	S424A210031	ESSA-1030-22	10,000	07/01/21	06/30/22	-	-	7,081	7,081	-	-	-	-	-		
Bridging the Digital Divide	21.019	SLT02228	N/A	52,591	07/16/20	10/31/20	2,533	-	-	-	-	2,533	-	-	-		
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-1030-23	285,355	03/13/20	09/30/23	-	-	284,981	284,981	-	-	-	-	-		
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-1030-23	25,000	03/13/20	09/30/23	-	-	2,317	3,029	-	-	(712)	-	-		
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-1030-23	45,000	03/13/20	09/30/23	-	-	32,570	37,830	-	-	(5,260)	-	-		
COVID-19																	
ARP - ESSER	84.425U	S425U210027	ESSER-1030-24	641,316	03/13/20	09/30/24	-	-	116,469	165,219	-	-	(48,750)	-	-		
ARP IDEA Basic	84.027X	H027X210100	ARP-1030-22	20,207	07/01/21	06/30/22	-	-	20,207	20,207	-	-	-	-	-		
ARP IDEA Preschool	84.173X	H173X210114	ARP-1030-22	1,718	07/01/21	06/30/22	-	-	1,718	1,718	-	-	-	-	-		
Total Special Revenue Fund							(121,222)	-	783,765	744,988	-	2,533	(84,978)	-	-		
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	\$ 22,773	10/01/21	09/30/22	\$ -	\$ -	\$ 22,773	\$ 18,410	\$ -	\$ -	\$ -	\$ 4,363	\$ -		
Cash Assistance	10.555	221NJ304N1099	N/A	162,519	10/01/21	09/30/22	-	-	152,363	162,519	-	-	(10,156)	-	-		
Cash Assistance	10.555	211NJ304N1099	N/A	90,062	10/01/20	09/30/21	(8,671)	-	8,671	-	-	-	-	-	-		
Emergency Operational Cost Program	10.555	202121H170341	N/A	200	07/01/20	06/30/21	(200)	-	200	-	-	-	-	-	-		
After School Snack Program	10.555	211NJ304N1099	N/A	5,600	07/01/20	06/30/21	(1,746)	-	1,746	-	-	-	-	-	-		
National School Breakfast Program	10.553	221NJ304N1099	N/A	49,462	10/01/21	09/30/22	-	-	44,991	49,462	-	-	(4,471)	-	-		
National School Breakfast Program	10.553	211NJ304N1099	N/A	56,150	10/01/20	09/30/21	(5,417)	-	5,417	-	-	-	-	-	-		
Total Child Nutrition Cluster							(16,034)	-	236,161	230,391	-	-	(14,627)	4,363	-		
P-EBT Administrative Cost	10.649	212121S900941	N/A	628	07/01/21	06/30/22	-	-	628	628	-	-	-	-	-		
P-EBT Administrative Cost	10.649	202121S900941	N/A	614	07/01/20	06/30/21	(614)	-	614	-	-	-	-	-	-		
Total Enterprise Fund							(16,648)	-	237,403	231,019	-	-	(14,627)	4,363	-		
Total Federal Awards							\$ (137,870)	\$ -	\$ 1,021,168	\$ 976,007	\$ -	\$ 2,533	\$ (99,605)	\$ 4,363	\$ -		

See independent auditors' report.



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2022**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021			Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2022			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	22-495-034-5120-089	\$ 341,376	07/01/21	06/30/22	\$ -	\$ -	\$ 315,871	\$ 341,376	\$ -	\$ -	\$ -	\$ -	\$ 25,505	\$ 341,376
Equalization Aid	22-495-034-5120-078	2,405,243	07/01/21	06/30/22	-	-	2,225,543	2,405,243	-	-	-	-	179,700	2,405,243
Security Aid	22-495-034-5120-084	25,925	07/01/21	06/30/22	-	-	23,988	25,925	-	-	-	-	1,937	25,925
Transportation Aid	22-495-034-5120-014	48,300	07/01/21	06/30/22	-	-	44,691	48,300	-	-	-	-	3,609	48,300
Extraordinary Aid	22-495-034-5120-044	316,851	07/01/21	06/30/22	-	-	-	316,851	-	(316,851)	-	-	-	316,851
Extraordinary Aid	21-495-034-5120-044	184,601	07/01/20	06/30/21	(184,601)	-	184,601	-	-	-	-	-	-	184,601
Non-Public Transportation Aid	22-495-034-5120-014	11,020	07/01/21	06/30/22	-	-	-	11,020	-	(11,020)	-	-	-	11,020
Non-Public Transportation Aid	21-495-034-5120-014	10,730	07/01/20	06/30/21	(10,730)	-	10,730	-	-	-	-	-	-	10,730
Securing our Children's Future Bond Act	22-100-082-2000-A92	22,080	07/01/20	06/30/22	-	-	22,080	22,080	-	-	-	-	-	22,080
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	22-495-034-5094-002	950,056	07/01/21	06/30/22	-	-	950,056	950,056	-	-	-	-	-	950,056
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	22-495-034-5094-004	13,404	07/01/21	06/30/22	-	-	13,404	13,404	-	-	-	-	-	13,404
On-Behalf TPAF Pension Contribution - Postretirement Medical	22-495-034-5094-001	225,103	07/01/21	06/30/22	-	-	225,103	225,103	-	-	-	-	-	225,103
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	22-495-034-5094-004	218	07/01/21	06/30/22	-	-	218	218	-	-	-	-	-	218
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	210,792	07/01/21	06/30/22	-	-	200,653	210,792	-	(10,139)	-	-	-	210,792
Total General Fund					(195,331)	-	4,216,938	4,570,368	-	(338,010)	-	-	210,751	4,765,699
State Department of Education														
Special Revenue Fund														
SDA Emergent and Capital Maintenance Needs	22-100-034-5120-519	9,454	07/01/21	06/30/22	-	-	9,454	9,454	-	-	-	-	-	9,454
Total Special Revenue Fund					-	-	9,454	9,454	-	-	-	-	-	9,454
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	21-100-010-3350-023	4,393	07/01/20	06/30/21	(1,109)	-	1,109	-	-	-	-	-	-	4,393
State School Lunch Program	22-100-010-3350-023	3,818	07/01/21	06/30/22	-	-	3,584	3,818	-	(234)	-	-	-	3,818
Total Enterprise Fund					(1,109)	-	4,693	3,818	-	(234)	-	-	-	8,211
Total State Financial Assistance					\$ (196,440)	\$ -	\$ 4,231,085	4,583,640	\$ -	\$ (338,244)	\$ -	\$ -	\$ 210,751	\$ 4,783,364
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	22-495-034-5094-002							950,056						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	22-495-034-5094-004							13,404						
On-Behalf TPAF Pension Contribution - Postretirement Medical	22-495-034-5094-001							225,103						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	22-495-034-5094-004							218						
Total for State Financial Assistance - Major Program Determination								<u>\$ 3,394,859</u>						

See independent auditors' report.

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2022**

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$16,109) for the general fund and (\$9,454) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**DELANCO TOWNSHIP TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2022**

Note 3 - Relationship of financial statements (continued)

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

	Federal	State	Total
General fund	\$ -	\$ 4,554,259	\$ 4,554,259
Special revenue fund	744,988	-	744,988
Food service fund	231,019	3,818	234,837
Total awards and financial assistance	<u>\$ 976,007</u>	<u>\$ 4,558,077</u>	<u>\$ 5,534,084</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2022.

Note 6 - Indirect costs

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

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART II**

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

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

Noncompliance material to basic financial statements noted?      Yes   X   No

Federal Awards

Unmodified

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>10.553 and 10.555</u>	<u>211NJ304N1099</u>	<u>Child Nutrition Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA – ESSER II</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA – Mental Health</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA – Learning Acceleration</u>
<u>84.425</u>	<u>S425U210027</u>	<u>ARP – ESSER</u>

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

**DELANCO TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022**

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

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

State Awards

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

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

Internal Control Over Major Programs:

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

2. Were there significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

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

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

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>22-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>22-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>22-495-034-5120-084</i>	<i>Security Aid</i>

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

Section II - Financial Statement Findings

Finding 2022-01

Criteria

Receiving signatures certifying goods or services should be evident for all applicable payments.

Condition

In some instances, the District did not obtain receiving signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to receiving signatures.

Cause

Unknown

Recommendation

Receiving signatures certifying goods or services are to be evident for all applicable payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Cost**  
**For the Fiscal Year Ended June 30, 2022**

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

Federal Award N/A

Finding 2022-01 – State Award

Criteria

Receiving signatures certifying goods or services should be evident for all applicable payments.

Condition

In some instances, the District did not obtain receiving signatures certifying goods or services.

Context

An examination of claims paid during the period under review indicated discrepancies with respect to receiving signatures.

Cause

Unknown

Recommendation

Receiving signatures certifying goods or services are to be evident for all applicable payments.

Views of Responsible Officials and Planned Corrective Action (unaudited)

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



**DELANCO TOWNSHIP SCHOOL DISTRICT**  
**Summary Schedule of Prior Year Audit Findings**  
**and Questioned Costs as Prepared by Management**  
**For the Fiscal Year Ended June 30, 2022**

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on finding number 2021-001.