

**SCHOOL DISTRICT
OF**

**DELRAN
TOWNSHIP**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

Delran Township Board of Education

Delran, New Jersey

For the Fiscal Year Ended June 30, 2022

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

DELRAN TOWNSHIP SCHOOL DISTRICT

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Introductory Section

DELRAN TOWNSHIP BOARD OF EDUCATION
52 Hartford Road
Delran, New Jersey 08075
856-461-6800

Dr. Brian Brotschul
Superintendent of Schools

Cande Kristoff
Business Administrator/
Board Secretary

January 30, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Delran Township School District for the fiscal year ended June 30, 2022 is hereby submitted. This ACFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular vocational as well as special education or handicapped youngsters. The District completed the 21-22 fiscal year with an average daily enrollment of 2,882 students, which is 12 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last 10 years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2021-2022	2,882	-0.41%
2020-2021	2,894	-3.02%
2019-2020	2,984	0.81%
2018-2019	2,961	0.50%
2017-2018	2,946	-1.21%
2016-2017	2,982	-1.26%
2015-2016	3,020	1.38%
2014-2015	2,979	0.78%
2013-2014	2,956	4.16%
2012-2013	2,838	-4.86%

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

There are two properties that have been developed: formerly Stellwags Farms (age restricted) and formerly a vacant lot owned (formerly) by Holy Cross Academy called Chester Woods. The Chester Woods parcels shows residents taking ownership and moving in, which some that are school aged (so far, 6)

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

- Bipolar ionization program
- One to One computing initiative
- Supplemental programming (Twilight)
- Mental health services through the introduction of school based therapists and expansion of services
- Expansion of onsite special education programming
- Expansion of English language learner programming
- Development of capital projects to increase classroom space and physical plant enhancements
- Introduction of programs designed increase parent engagement (transition from Google Classroom to Canvas platform)
- Formative assessment programming parallel to NJDOE Start Strong Assessments
- Programming in sustainability and energy conservation have led to the US EPA awards
- Institution of a 2nd phase of an Energy Savings Improvement Program

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

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

In literacy, the district continues to implement the Readers Workshop model from Teachers' College at the K-8 level. The district has supported professional development, curricula drafting and the funding of a literacy coach in order to see this work through. We are examining this curriculum for future revisions and have dedicated resources in FY24.

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line

line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

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

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

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

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the staff of the Delran Public Schools for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the support staff employed in the Business Office.

Respectfully submitted,

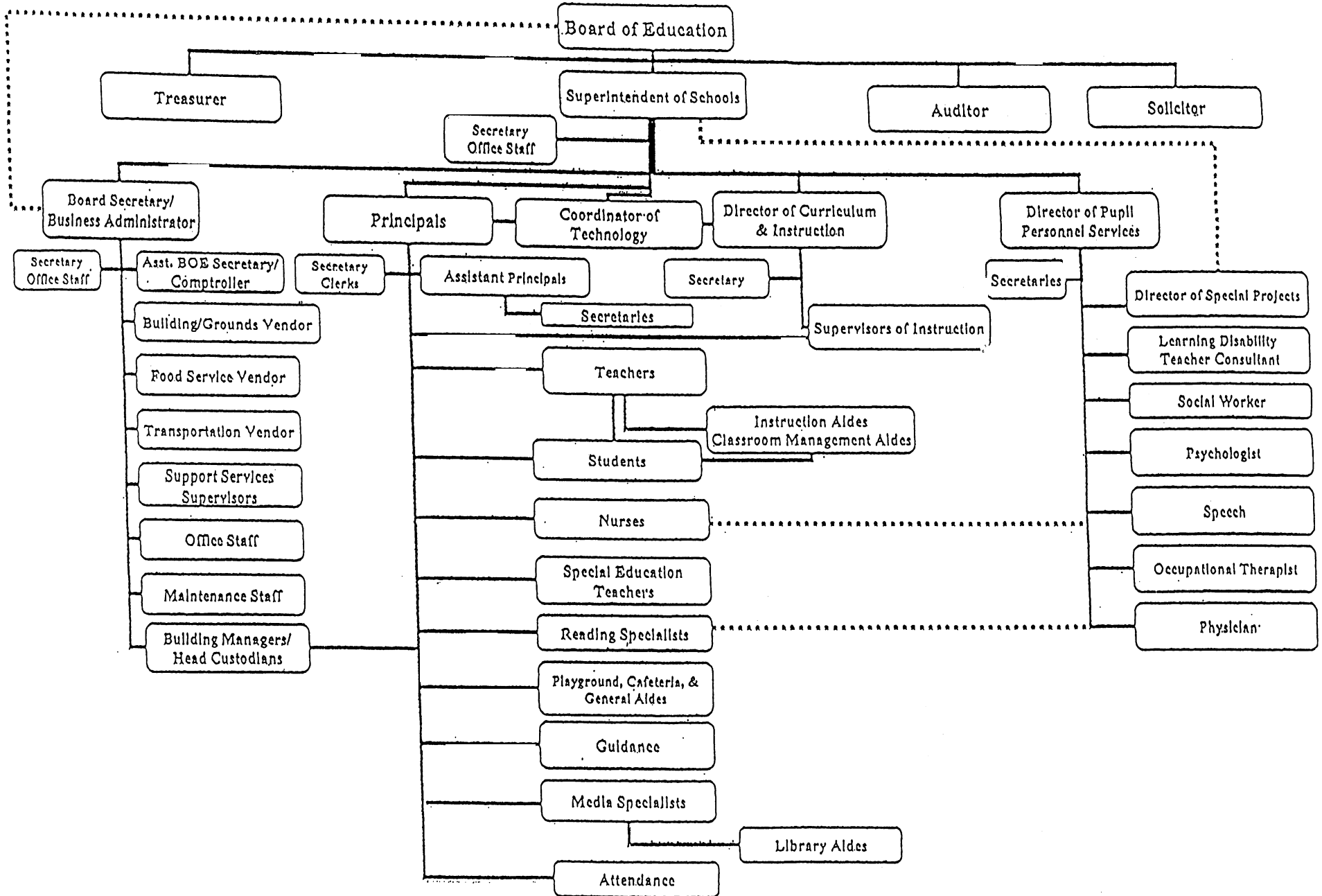


Brian Brotschul, Ed. D.
Superintendent



Cande Kristoff
Board Secretary/Business Administrator

DELRAN BOARD OF EDUCATION
Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Glenn Kitley, President	2022
Joseph Biluck Jr., Vice President	2023
John Brophy	2024
Mark Chierici	2022
Mary Melvin	2023
Michael Mongon	2022
Mark Oberg	2024
Amy Rafanello	2024
Eileen Wachter	2023

Other Officials

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

Busch Law Group
405 Main Street
Metuchen, NJ 08840

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

TD Bank
1050 South Chester Avenue
Delran, NJ 08075

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District (the "District"), in the County of Burlington, State of New Jersey, as of and for the fiscal 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 Opinions

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

Emphasis of Matter

Adoption of New Accounting Principle

During the fiscal year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. My opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. 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* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey 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, I:

- 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 my 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.

I am 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 I 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 information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 30, 2023, on my consideration of the District’s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
January 30, 2023

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

**Delran Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

As management of the Board of Education of the Township of Delran, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The liabilities of the School District exceeded the assets at the close of the most recent fiscal year by \$2,989,347 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$8,244,532. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and the state statute that prohibits school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$3,271,903 or an 1157.97% increase from the prior fiscal year-end balance. The majority of the increase is attributable to the results of fixed asset adjustments.
- Fund balance of the School District's governmental funds increased by \$768,338 resulting in an ending fund balance of \$13,453,564. The majority of the increase is attributable to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$435,239 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$3,438,815 which is the result of principal payments on debt obligations, the increase of compensated absences, and the decreases in net pension liability.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2023. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2023.

The assets of the primary government activities exceeded liabilities by \$1,872,692 with an unrestricted deficit balance of \$8,244,532. The net position of the primary government does not include internal balances.

A net investment of (\$2,174,706) in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,882 public school students. Net position of \$9,517,145 has been restricted to provide resources for future capital expansion and renovation projects while \$407,809 has been restricted for budget appropriation, \$1,859,356, is reserved for maintenance, \$78,849 is reserved for unemployment compensation, \$73,405 is reserved for debt service, and \$355,366 is reserved for student activities.

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

Delran Township School District
Comparative Summary of Net Position
As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current assets	\$ 16,241,819	\$ 13,069,822	\$ 971,084	\$ 403,739	\$ 17,212,903	\$ 13,473,561
Capital assets	17,824,836	18,687,096	681,416	349,741	18,506,252	19,036,837
Total assets	34,066,655	31,756,918	1,652,500	753,480	35,719,155	32,510,398
Deferred Loss on Defeasance	1,028,150	1,161,892			1,028,150	1,161,892
Deferred Outflows of Resources	1,086,648	1,370,652			1,086,648	1,370,652
LIABILITIES						
Current liabilities	6,043,648	3,500,383	535,845	155,555	6,579,493	3,655,938
Noncurrent liabilities	24,934,282	28,563,879			24,934,282	28,563,879
Total Liabilities	30,977,930	32,064,262	535,845	155,555	31,513,775	32,219,817
Deferred Inflows of Resources	3,330,831	3,105,681			3,330,831	3,105,681
Net Position	\$ 1,872,692	\$ (880,481)	\$ 1,116,655	\$ 597,925	\$ 2,989,347	\$ (282,556)
Net Position Consists of:						
Net investment in Capital Assets	\$ (2,174,706)	\$ (2,912,182)	\$ 681,416	\$ 349,741	\$ (1,493,290)	\$ (2,562,441)
Restricted Assets	12,291,930	11,095,531			12,291,930	11,095,531
Unrestricted Assets	(8,244,532)	(9,063,830)	435,239	248,184	(7,809,293)	(8,815,646)
Net Position	\$ 1,872,692	\$ (880,481)	\$ 1,116,655	\$ 597,925	\$ 2,989,347	\$ (282,556)

Governmental Activities

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

- Long term debt decreased \$3,438,815
- Capital assets had a net decrease of \$530,585.

Business-type Activities

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

- The Food Services Fund had a net gain of \$518,730 for this fiscal year.

Delran Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Revenues:						
Charges for services	\$ -	\$ -	\$ 93,359	\$ 18,405	\$ 93,359	\$ 18,405
Operating Grants and contributions	22,430,012	24,429,197	1,898,690	715,299	24,328,702	25,144,496
Property taxes	35,309,302	35,305,934			35,309,302	35,305,934
State aid - unrestricted	20,596,935	18,177,230			20,596,935	18,177,230
Tuition	243,828	128,292			243,828	128,292
Other revenues	373,867	265,176			373,867	265,176
Total Revenues	78,953,944	78,305,829	1,992,049	733,704	80,945,993	79,039,533
Expenses:						
Governmental Activities:						
Instruction	24,030,802	22,574,384			24,030,802	22,574,384
Tuition	1,868,501	2,280,685			1,868,501	2,280,685
Related Services	7,778,392	6,559,176			7,778,392	6,559,176
Administrative Services	3,002,274	3,020,684			3,002,274	3,020,684
Operations and Maintenance	9,363,697	6,079,576			9,363,697	6,079,576
Transportation	3,271,686	2,051,809			3,271,686	2,051,809
Employee benefits	26,406,270	30,405,300			26,406,270	30,405,300
Charter Schools	11,344	56,192			11,344	56,192
Interest on debt	422,656	608,066			422,656	608,066
Other	45,149	45,150			45,149	45,150
Business-Type Activities:						
Food Service			1,473,319	875,881	1,473,319	875,881
Total Expenses	76,200,771	73,681,022	1,473,319	875,881	77,674,090	74,556,903
Increase (Decrease) in Net Position before transfers	2,753,173	4,624,807	518,730	(142,177)	3,271,903	4,482,630
Transfers						
Change in Net Position	2,753,173	4,624,807	518,730	(142,177)	3,271,903	4,482,630
Net Position, July 1	(880,481)	(5,939,212)	597,925	740,102	(282,556)	(5,199,110)
Prior Period Adjustment		433,924			-	
Net Position, July 1 Restated	(880,481)	(5,505,288)	597,925	740,102	(282,556)	
Net Position, June 30	\$ 1,872,692	\$ (880,481)	\$ 1,116,655	\$ 597,925	\$ 2,989,347	\$ (716,480)

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$13,453,564 an increase of \$768,338 in comparison with the prior year. Most of this increase is the result of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of \$533,290. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$9,517,145, 2) appropriated as a revenue source in the subsequent year's budget \$407,809, 3) reserved for unemployment compensation \$78,849, 4) reserved for encumbrances \$628,344, 5) reserved for maintenance \$1,859,356, 6) reserved for student activities \$355,366, 7) reserved for debt service \$73,405.

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

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the General Fund was \$2,435,385, while total fund balance (budgetary basis) was \$14,926,888. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$64,387,928. Unreserved fund balance (budgetary basis) represents 3.78% of expenditures while total fund balance (budgetary basis) represents 23.18% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$18,506,252 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$530,535, or a 2.79% decrease. The decrease is due to depreciation less current year additions.

Delran Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Construction in Progress	\$ 777,764	\$ 777,764	\$ -	\$ -	\$ 777,764	\$ 777,764
Building and Building Improvements	16,461,738	17,468,649			16,461,738	17,468,649
Equipment	585,334	440,683	681,416	349,741	1,266,750	790,424
Net Assets	<u>\$ 17,824,836</u>	<u>\$ 18,687,096</u>	<u>\$ 681,416</u>	<u>\$ 349,741</u>	<u>\$ 18,506,252</u>	<u>\$ 19,036,837</u>

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

Long-term debt – During the fiscal year ended June 30, 2022, the School District had total bonded debt outstanding of \$16,840,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$3,648,700, \$1,175,440 in compensated absences, and \$5,214,795 in net pension liability.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$66,528,875 and the available borrowing capacity was \$49,688,875.

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

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2022-23 fiscal year.

- For the 2022-23 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund remains the same as the previous year. Salaries continue to increase contractually; however, the District has managed to control costs. The 2022-23 General Fund Budget is \$8,220,019 greater than the previous year or a 14.88% increase. The district tax rate decreased from \$2.474 in 2021 to \$2.461 in 2022.

For the Future

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

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

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 2,624,482	\$ 859,929	\$ 3,484,411
Accounts Receivables, net	2,240,836	97,257	2,338,093
Inventory		13,898	13,898
Restricted assets:			
Cash and cash equivalents	11,376,501		11,376,501
Capital assets, net	<u>17,824,836</u>	<u>681,416</u>	<u>18,506,252</u>
Total Assets	<u>34,066,655</u>	<u>1,652,500</u>	<u>35,719,155</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on defeasance	1,028,150		1,028,150
Deferred outflows of resources from pensions	<u>1,086,648</u>	<u>-</u>	<u>1,086,648</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>36,181,453</u>	<u>1,652,500</u>	<u>37,833,953</u>
LIABILITIES:			
Accounts payable:			
Other	2,840,654	374,678	3,215,332
Related to pensions	555,784		555,784
Intergovernmental Accounts payable:			
State	25,439		25,439
Internal Balances	(125,152)	125,152	
Accrued Liabilities:			
Interest payable	215,964		215,964
Unearned revenue	47,314	36,015	83,329
Noncurrent liabilities:			
Due within one year	2,483,645		2,483,645
Due beyond one year	<u>24,934,282</u>		<u>24,934,282</u>
Total Liabilities	<u>30,977,930</u>	<u>535,845</u>	<u>31,513,775</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>3,330,831</u>	<u>-</u>	<u>3,330,831</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>34,308,761</u>	<u>535,845</u>	<u>34,844,606</u>
NET POSITION:			
Net investment in capital assets	(2,174,706)	681,416	(1,493,290)
Restricted for:			
Capital projects	9,517,145		9,517,145
Maintenance	1,859,356		1,859,356
Excess Surplus	407,809		407,809
Unemployment Compensation	78,849		78,849
Debt Service	73,405		73,405
Student Activities	355,366		355,366
Unrestricted (Deficit)	<u>(8,244,532)</u>	<u>435,239</u>	<u>(7,809,293)</u>
Total Net Position	<u>\$ 1,872,692</u>	<u>\$ 1,116,655</u>	<u>\$ 2,989,347</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,339,954	\$ 243,828	\$ 686,969	\$ -	\$ (15,409,157)	\$ -	\$ (15,409,157)
Special Education	5,658,041		835,545		(4,822,496)		(4,822,496)
Other instruction	2,032,807				(2,032,807)		(2,032,807)
Support Services:							
Tuition	1,868,501				(1,868,501)		(1,868,501)
Student & instruction related services	7,778,392		1,389,302		(6,389,090)		(6,389,090)
General administrative services	802,724				(802,724)		(802,724)
School administrative services	1,548,293				(1,548,293)		(1,548,293)
Central administrative services	651,257				(651,257)		(651,257)
Plant operations and maintenance	9,363,697		623,635		(8,740,062)		(8,740,062)
Pupil transportation	3,271,686				(3,271,686)		(3,271,686)
Unallocated employee benefits	26,406,270		18,894,561		(7,511,709)		(7,511,709)
Transfer of funds to Charter Schools	11,344				(11,344)		(11,344)
Interest on long-term debt	422,656				(422,656)		(422,656)
Unallocated depreciation and amortization	45,149				(45,149)		(45,149)
Total Governmental Activities	<u>76,200,771</u>	<u>243,828</u>	<u>22,430,012</u>	<u>-</u>	<u>(53,526,931)</u>	<u>-</u>	<u>(53,526,931)</u>
Business-Type Activities:							
Food service	<u>1,473,319</u>	<u>93,359</u>	<u>1,898,690</u>	<u>-</u>	<u>-</u>	<u>518,730</u>	<u>518,730</u>
Total Business-Type Activities	<u>1,473,319</u>	<u>93,359</u>	<u>1,898,690</u>	<u>-</u>	<u>-</u>	<u>518,730</u>	<u>518,730</u>
Total Primary Government	<u>\$ 77,674,090</u>	<u>\$ 337,187</u>	<u>\$ 24,328,702</u>	<u>\$ -</u>	<u>(53,526,931)</u>	<u>518,730</u>	<u>(53,008,201)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					33,343,638		33,343,638
Taxes levied for debt service					1,965,664		1,965,664
Federal and State aid unrestricted					20,596,935		20,596,935
Investment and Interest earnings - restricted					945		945
Miscellaneous					372,922		372,922
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>56,280,104</u>	<u>-</u>	<u>56,280,104</u>
Change in Net Position					2,753,173	518,730	3,271,903
Net Position - July 1,					<u>(880,481)</u>	<u>597,925</u>	<u>(282,556)</u>
Net Position - June 30					<u>\$ 1,872,692</u>	<u>\$ 1,116,655</u>	<u>\$ 2,989,347</u>

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

Fund Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and Cash Equivalents	\$ 13,572,212	\$ 355,366	\$ -	\$ 73,405	\$ 14,000,983
Interfund Accounts Receivable:					
Special Revenue Fund	939,351				939,351
Enterprise Fund	125,152				125,152
Intergovernmental Accounts Receivables:					
State	825,023				825,023
Federal		1,407,789			1,407,789
Other	3,974				3,974
Other Accounts Receivable	4,050				4,050
Total Assets	15,469,762	1,763,155	-	73,405	17,306,322
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable:					
General Fund		939,351			939,351
Intergovernmental Accounts Payable:					
State		25,439			25,439
Accounts Payable:					
Payroll Deductions and Withholdings Payable	2,030				2,030
Unemployment Claims Payable	110,348				110,348
Other	2,322,441	405,835			2,728,276
Unearned Revenue	10,150	37,164			47,314
Total Liabilities	2,444,969	1,407,789	-	-	3,852,758
Fund Balances:					
Restricted:					
Capital Reserve	9,517,145				9,517,145
Maintenance Reserve	1,859,356				1,859,356
Excess Surplus	407,809				407,809
Unemployment Compensation	78,849				78,849
Debt Service				73,405	73,405
Student Activities		355,366			355,366
Assigned to:					
Designated for Subsequent Year's Expenditures	628,344				628,344
Unassigned	533,290				533,290
Total Fund Balances	13,024,793	355,366	-	73,405	13,453,564
Total Liabilities and Fund Balances	\$ 15,469,762	\$ 1,763,155	\$ -	\$ 73,405	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$63,675,528 and the accumulated depreciation is \$45,850,692.	17,824,836
Deferred Loss on Defeasance	1,028,150
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds.	(215,964)
Accounts payable related to the April 1, 2023 required PERS contribution that is not to be liquidated with current financial resources.	(555,784)
The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of Resources from Pensions	\$ 1,086,648
Net Pension Liability	(5,214,795)
Deferred Inflows of Resources from Pensions	(3,330,831)
	(7,458,978)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
General Obligation Bonds	(16,840,000)
Bond Premium	(538,992)
Financed Purchase Payable	(3,648,700)
Compensated Absences	(1,175,440)
	(22,203,132)
Net position of governmental activities	\$ 1,872,692

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 33,343,638	\$ -	\$ -	\$ 1,965,664	\$ 35,309,302
Tuition charges	243,828				243,828
Interest earned on Capital Reserve Funds	729				729
Interest earned on Maintenance Reserve Funds	216				216
Other restricted miscellaneous revenue					-
Unrestricted miscellaneous revenue	372,922				372,922
Local Sources		975,329			975,329
State sources	31,427,801	207,218	(302,451)	378,430	31,710,998
Federal sources	68,162	2,372,424			2,440,586
	<u>65,457,296</u>	<u>3,554,971</u>	<u>(302,451)</u>	<u>2,344,094</u>	<u>71,053,910</u>
Total revenues					
EXPENDITURES:					
Current expense:					
Regular instruction	15,587,900	686,969			16,274,869
Special education instruction	4,822,496	835,545			5,658,041
Other instruction	2,032,807				2,032,807
Support services and undistributed costs:					
Tuition	1,868,501				1,868,501
Student & instruction related services	6,390,511	1,387,881			7,778,392
General administrative services	677,946				677,946
School administrative services	1,548,293				1,548,293
Central services	494,595				494,595
Admin. Info. Tech	156,662				156,662
Plant operations and maintenance	5,247,284				5,247,284
Pupil transportation	3,271,686				3,271,686
Unallocated employee benefits	19,664,688	19,520			19,684,208
Capital outlay	2,613,215	623,635			3,236,850
Transfer of funds to charter schools	11,344				11,344
Debt service:					
Principal				1,830,000	1,830,000
Interest and other charges				514,094	514,094
	<u>64,387,928</u>	<u>3,553,550</u>	<u>-</u>	<u>2,344,094</u>	<u>70,285,572</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>1,069,368</u>	<u>1,421</u>	<u>(302,451)</u>	<u>-</u>	<u>768,338</u>
Other Financing Sources (Uses):					
Operating transfer in	130,246			73,405	203,651
Operating transfer out			(203,651)		(203,651)
Total other financing sources (uses)	<u>130,246</u>	<u>-</u>	<u>(203,651)</u>	<u>73,405</u>	<u>-</u>
Net change in fund balance	1,199,614	1,421	(506,102)	73,405	768,338
Fund balances, July 1	11,825,179	353,945	506,102	-	12,685,226
Fund balances, June 30	<u>\$ 13,024,793</u>	<u>\$ 355,366</u>	<u>\$ -</u>	<u>\$ 73,405</u>	<u>\$ 13,453,564</u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2)	\$	768,338
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p style="padding-left: 40px;">Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation expense	\$ (1,103,780)	
Capital outlay	<u>241,520</u>	(862,260)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		1,926,366
Deferred loss on refunding arising from the issuance of the refunding school bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.		(133,742)
Repayment of financed purchases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.		451,059
The issuance of a financed purchase increases long-term liabilities, however has no effect on fund balance.		(643,947)
Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.		1,177,972
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation.		91,438
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(22,051)</u>
Change in net position of governmental activities	\$	<u><u>2,753,173</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities Enterprise Funds
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 859,929
Accounts receivable	97,257
Inventories	13,898
	971,084
Total current assets	971,084
Noncurrent assets:	
Equipment	1,368,405
Less accumulated depreciation	(686,989)
	681,416
Total noncurrent assets	681,416
Total assets	1,652,500
LIABILITIES	
Current liabilities:	
Accounts Payable	374,678
Interfund Payable	125,152
Unearned revenue	36,015
	535,845
Total liabilities	535,845
NET POSITION	
Net investment in capital assets	681,416
Unrestricted	435,239
	1,116,655
Total net position	\$ 1,116,655

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2022

	Business-type Activities Enterprise Funds
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 1,691
Daily sales-non-reimbursable programs	91,668
	93,359
Total operating revenue	93,359
Operating expenses:	
Salaries	455,287
Employee benefits	78,146
Supplies and materials	64,945
Depreciation	40,860
Management fee	92,328
Purchased professional services	100,639
Repairs and maintenance of equipment	24,452
Cost of sales - reimbursable programs	554,441
Cost of sales - nonreimbursable programs	28,208
Direct expenses	30,203
Other expenses	3,810
	1,473,319
Total operating expenses	1,473,319
Operating income (loss)	(1,379,960)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	31,116
Federal sources:	
National school lunch program	1,322,809
National school breakfast program	444,280
Emergency operational cost program - schools	659
P-EBT administrative cost	1,242
U.S.D.A. commodities	98,584
	1,898,690
Total nonoperating revenues (expenses)	1,898,690
Change in net position	518,730
Net position - July 1	597,925
Net position - June 30	\$ 1,116,655

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2022

	Business-type Activities Enterprise Funds
	Food Service Program
Cash flows from operating activities:	
Receipts from customers	\$ 87,652
Payments to employees	(505,455)
Payments to suppliers	(817,623)
Net cash used for operating activities	(1,235,426)
Cash flows from noncapital financing activities:	
State sources	36,070
Federal sources	1,762,148
Net cash provided by non-capital financing activities	1,798,218
Cash flows from capital activities:	
Purchases of fixed assets	-
Net cash used for capital activities	-
Cash flows from investing activities:	
Interest and dividends	-
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	562,792
Balances - July 1	297,137
Balances - June 30	\$ 859,929
Reconciliation of operating loss to net cash provided	
(used) by operating activities:	
Operating income (loss)	\$ (1,379,960)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	40,860
Federal commodities	98,584
Change in assets and liabilities:	
(Increase)/decrease in inventory	(2,665)
Increase/(decrease) in unearned revenue	(5,706)
Increase/(decrease) in interfunds payable	26,000
Increase/(decrease) in accounts payable	(12,539)
Total adjustments	144,534
Net cash provided by (used for) operating activities	\$ (1,235,426)

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Delran Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately 7.5 square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the district is to provide educational services for all of Delran's students in grades K through 12. The Delran School District has an approximate enrollment at June 30, 2022 of 2,882 students.

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

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

Basis of Presentation

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

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

The School District’s enterprise fund is:

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

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

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

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

Measurement Focus

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

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

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

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

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

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

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

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

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

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

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

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

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

Lease Assets - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2022.

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

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

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

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

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

2. CASH AND CASH EQUIVALENTS

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

Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$16,756,697 as of June 30, 2022, \$250,000 was insured under FDIC and the remaining balance of \$16,506,697 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Balance – July 1, 2021	\$	7,296,630
Increased by:		
Transfer by Board Resolution	\$	3,000,000
Transfer from Fund 30		130,246
Unspent in General Fund		295,370
Interest Earned		729
		3,426,345
		10,722,975
Decreased by:		
Budgeted Withdrawal		360,000
Budgeted Resolution		845,830
		1,205,830
Balance – June 30, 2022	\$	9,517,145

The June 30, 2022 capital reserve balance does not exceed the LRFPP balance of local support costs of uncompleted project.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2022 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2022 for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Intergovernmental					
State	\$ 825,023	\$ -	\$ -	\$ 1,496	\$ 826,519
Federal	-	1,407,789	-	95,761	1,503,550
Other	8,024	-	-	-	8,024
Total	\$ 833,047	\$ 1,407,789	\$ -	\$ 97,257	\$ 2,338,093

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance June 30, 2022</u>
Governmental Activities:					
<i>Capital Assets, not being depreciated:</i>					
Construction in Progress	\$ 777,764	\$ -		\$ -	\$ 777,764
Total Capital Assets not being Depreciated	777,764	-	-	-	777,764
<i>Capital Assets, being depreciated:</i>					
Land Improvements	1,338,902	-			1,338,902
Building and Improvements	58,760,242	-			58,760,242
Machinery & Equipment	2,557,100	241,520			2,798,620
Total Historical Cost	63,434,008	241,520	-	-	63,675,528
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(829,617)	(49,024)			(878,641)
Building and Improvements	(41,800,878)	(957,887)			(42,758,765)
Machinery & Equipment	(2,116,417)	(96,869)			(2,213,286)
Total Accumulated Depreciation	(44,746,912)	(1,103,780)	-	-	(45,850,692)
Governmental Activities Capital Assets, Net	<u>\$ 18,687,096</u>	<u>\$ (862,260)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,824,836</u>
Business-Type Activities:					
<i>Capital Assets, being depreciated:</i>					
Equipment	\$ 995,870	\$ 372,535	\$ -	\$ -	\$ 1,368,405
Less - Accumulated Depreciation	(646,129)	(40,860)			(686,989)
Business-Type Activities Capital Assets, Net	<u>\$ 349,741</u>	<u>\$ 331,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 681,416</u>

Depreciation expense in the amount of \$1,103,780 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 43,034
Administration	124,778
Plant Operations and Maintenance	928,195
Unallocated	7,773
Total	<u>\$ 1,103,780</u>

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2022 consisted of the following:

	<u>Food Service</u>
Food	\$ 10,028
Supplies	3,870
	<u>\$ 13,898</u>

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2022</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ 1,153,389	\$ 22,051	\$ -	\$ 1,175,440	\$ 4,687
Financed Purchases Payable	3,455,812	643,947	451,059	3,648,700	482,592
General Obligation Bonds	18,670,000	-	1,830,000	16,840,000	1,900,000
Bond Premium	635,358	-	96,366	538,992	96,366
Net Pension Liability	<u>6,942,183</u>	<u>-</u>	<u>1,727,388</u>	<u>5,214,795</u>	<u>-</u>
	<u>\$ 30,856,742</u>	<u>\$ 665,998</u>	<u>\$ 4,104,813</u>	<u>\$ 27,417,927</u>	<u>\$ 2,483,645</u>

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

2015 School Refunding Bonds dated October 6, 2015 in the amount of \$325,000 due January 15, 2023 bearing interest rate of 2.00%.

2016 School Refunding Bonds dated April 14, 2016 in the amount of \$16,515,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 2.00% - 4.00%.

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,900,000	\$ 439,694	\$ 2,339,694
2024	1,980,000	362,094	2,342,094
2025	2,045,000	302,044	2,347,044
2026	2,080,000	260,794	2,340,794
2027	2,125,000	217,415	2,342,415
2028-2030	<u>6,710,000</u>	<u>262,181</u>	<u>6,972,181</u>
	<u>\$ 16,840,000</u>	<u>\$ 1,844,222</u>	<u>\$ 18,684,222</u>

As of June 30, 2022, the District had no authorized but not issued bonds.

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

Leases - As of June 30, 2022, the School District adopted the provisions of GASB Statement No. 87 but had no material leases requiring implementation.

Financed Purchase Payable - As of June 30, 2022, the District had the following financed purchases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Energy Savings Imp. Program	March 1, 2032	2.38%	\$ 2,991,000
IT & Stem Lab Equipment	July 27, 2022	2.95%	98,315
Chromebooks	July 1, 2024	1.40%	178,403
Toshiba Copiers	June 30, 2026	.39%	<u>380,982</u>
Total			<u>\$ 3,648,700</u>

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

7. LONG-TERM OBLIGATIONS (Continued)

The following is a schedule of the future payments under the financed purchases:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 482,592	\$ 91,237	\$ 573,828
2024	402,367	77,523	479,890
2025	420,674	66,183	486,857
2026	378,067	54,318	432,385
2027	290,000	45,053	335,053
2028-2032	<u>1,675,000</u>	<u>113,264</u>	<u>1,788,264</u>
	<u>\$ 3,648,700</u>	<u>\$ 447,578</u>	<u>\$ 4,069,278</u>

8. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2022. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$5,228,582 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$1,702,283.

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

At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2022, the School District recognized pension expense of \$2,018,326 and revenue of \$2,018,326 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

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

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

	<u>06/30/21</u>	<u>06/30/20</u>
Collective deferred outflows of resources	\$ 6,230,825,389	\$ 9,458,881,999
Collective deferred inflows of resources	27,221,092,460	14,424,322,612
Collective net pension liability (Non-Employer – State of New Jersey)	48,165,991,182	65,993,498,688
State's portion of the net pension liability that was associated with the School District	85,775,103	118,699,793
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1784186515%	.1802611421%

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	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 Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
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%	.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.000% 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 (State of New Jersey) 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 rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>101,486,274</u>	<u>85,775,103</u>	<u>72,578,706</u>
	<u>\$ 101,486,274</u>	<u>\$ 85,775,103</u>	<u>\$ 72,578,706</u>

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Based on the most recent PERS measurement date of June 30, 2021, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$515,522 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$255,416.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Long Term Disability</u>	<u>Total Liability Paid by District</u>
2022	\$ 62,422	\$ 429,338	\$ 23,762	\$ -	\$ 515,522
2021	53,167	390,027	22,510	-	465,704
2020	37,421	346,289	20,676	1,618	406,004

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

At June 30, 2022, the School District reported a liability of \$5,214,795 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2022, the School District recognized pension expense of (\$625,696). At June 30, 2022, the School District reported a liability of \$5,214,795 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,244	\$ 37,332
Changes of assumptions	27,159	1,856,501
Net Difference between projected and actual earnings on pension plan investments		1,373,714
Changes in proportion	421,461	63,284
District contributions subsequent to the measurement date	555,784	
Total	\$ 1,086,648	\$ 3,330,831

\$555,784 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net liability in the year ended June 30, 2022.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (1,004,373)
2024	(856,927)
2025	(542,235)
2026	(401,474)
2027	5,042
Total	\$ (2,799,967)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	
June 30, 2020	5.16	-
June 30, 2021	5.13	5.13
Changes of assumptions		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	-	5.00
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2021 and 2020 are as follows:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$ 818,359,815	\$ 2,590,600,991
Collective deferred inflows of resources	\$ 11,243,411,487	\$ 12,009,239,423
Collective net pension liability	\$ 11,972,782,878	\$ 16,435,616,426
School District's Proportion	.0440197129%	.0425707926%

Actuarial assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
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%	1.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	

Discount rate. The discount rate used to measure the State's 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 and nonemployer contributing entity will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$ 7,101,493	\$ 5,214,795	\$ 3,613,664

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

Defined Contribution Retirement Program (DCRP)

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

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

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

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2022	\$ 27,993	\$ 27,993
2021	29,782	29,782
2020	14,089	14,089

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

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.

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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

Contributions

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: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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 nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

Plan Membership

As of June 30, 2020, the program membership consisted of the following:

Active Plan Members	213,901
Retirees	150,427
	364,328
	364,328

Total Non-Employer OPEB Liability

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 4.45% based on service years	2.00 – 6.00% based on service years	3.25 – 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using 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, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.65% 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%.

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.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total Nonemployer OPEB Liability

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

	Total OPEB Liability
Balance as of June 30, 2020	\$ 125,139,052
Changes for the years'	
Service Cost	5,838,594
Interest	2,916,069
Changes of benefit terms	(119,648)
Differences between expected and actual experience	(19,251,098)
Changes in assumptions	110,902
Gross Benefit Payments	(2,297,046)
Contributions from the Non-employer	N/A
Contributions from the Member	74,550
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (12,727,677)
Balance at 06/30/2021	\$ 112,411,375

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 134,651,180	\$ 112,411,375	\$ 94,898,863

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 90,997,373	\$ 112,411,375	\$ 141,168,797

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2021, the School District recognized \$6,507,404 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan’s June 30, 2021 measurement date.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 3,295,438	\$ (731,157)
Differences between expected and actual experience	16,945,516	(33,736,652)
Changes of assumptions	19,069,164	(12,060,693)
Total	\$ 39,310,118	\$ (46,528,502)

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

For the year ended:	
2022	\$ (1,634,238)
2023	(1,634,238)
2024	(1,634,238)
2025	(1,634,238)
2026	(1,161,920)
Thereafter	480,488
Total	\$ (7,218,384)

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

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$7,583,511, \$1,771,815, and \$2,786, respectively. In addition, \$1,616,895 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

12. RISK MANAGEMENT

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

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

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

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -	\$ -	\$ -	\$ -	\$ 78,849
2020-2021	7,347	-	-	-	78,849
2019-2020	42,969	-	-	91,194	71,502

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District’s personnel policy. Upon termination, employees are paid for accrued vacation. The School District’s policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years.

Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District’s agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2022, the liability for compensated absences in the governmental activities was \$1,175,440.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2023. The following interfund balances were recorded on the various balance sheets as of June 30, 2022:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 1,064,503	\$ -
Special Revenue	-	939,351
Capital Projects	-	-
Debt Service Fund	-	-
Proprietary Fund	-	125,152
	-	125,152
Total	\$ 1,064,503	\$ 1,064,503

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

16. CONTINGENCIES

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

At June 30, 2022, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. TAX ABATEMENTS

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

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

As of December 31, 2021, the Township of Delran had no tax abatements.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2022, a deficit of \$8,244,532 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2022:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance - Unassigned	\$ 533,290
Fund Balance - Assigned	628,344
Liabilities:	
Accrued Interest Payable	(215,964)
Net Pension Differences	(8,014,762)
Compensated Absences	<u>(1,175,440)</u>
Unrestricted Net Position (Deficit)	<u>\$ (8,244,532)</u>

19. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$407,809 as presented on the budgetary basis of accounting (Exhibit C-1).

Capital Reserve – As of June 30, 2022, the balance in the capital reserve account is \$9,517,145, all of which is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan. Of this amount \$5,889,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023.

Maintenance Reserve Account – As of June 30, 2022, the balance in the maintenance reserve account is \$1,859,356. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Unemployment Compensation Reserve – As of June 30, 2022, the balance in the unemployment compensation reserve is \$78,849. These funds are restricted for the purpose of financing unemployment claims.

RESTRICTED

Special Revenue Fund:

Student Activities – As of June 30, 2022, the balance in student activities is \$355,366.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

19. FUND BALANCES (Continued)

ASSIGNED

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

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated \$628,344 of general fund balance and included as an anticipated revenue for the fiscal year ending June 30, 2023.

UNASSIGNED

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

General Fund – As of June 30, 2022, the unassigned fund balance of the general fund is \$533,290.

Debt Service Fund – As of June 30, 2022, the unassigned fund balance of the debt service fund is \$73,405.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 33,343,638	\$ -	\$ 33,343,638	\$ 33,343,638	\$ -
Tuition - Individuals	80,000	-	80,000	57,587	(22,413)
Tuition - Other LEA's				186,241	186,241
Transportation					-
Capital reserve interest	2,000	-	2,000	729	(1,271)
Maintenance reserve interest	1,000	-	1,000	216	(784)
Other restricted miscellaneous revenue					-
Unrestricted miscellaneous revenue	50,000	-	50,000	372,922	322,922
Total local sources	33,476,638	-	33,476,638	33,961,333	484,695
State sources:					
Categorical special education aid	2,561,908	-	2,561,908	2,561,908	-
Equalization aid	16,588,437	-	16,588,437	16,588,437	-
Security aid	418,930	-	418,930	418,930	-
Transportation aid	516,610	-	516,610	516,610	-
Extraordinary aid	278,584	-	278,584	555,122	276,538
Additional non-public transportation aid				22,330	22,330
School Security Grant - Alyssa's Law		167,493	167,493	166,909	(584)
On-behalf TPAF pension contributions (non-budgeted)				7,583,511	7,583,511
On-behalf TPAF medical (non-budgeted)				1,771,815	1,771,815
On-behalf TPAF LTDI (non-budgeted)				2,786	2,786
Reimbursed TPAF social security contributions (non-budgeted)				1,616,895	1,616,895
Total state sources	20,364,469	167,493	20,531,962	31,805,253	11,273,291
Federal sources:					
Medicaid reimbursement	47,921	-	47,921	68,162	20,241
Total federal sources	47,921	-	47,921	68,162	20,241
TOTAL REVENUES	53,889,028	167,493	54,056,521	65,834,748	11,778,227
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	720,878	(44,528)	676,350	661,246	15,104
Grades 1-5	4,771,129	251,943	5,023,072	4,988,624	34,448
Grades 6-8	3,194,018	(30,859)	3,163,159	3,127,364	35,795
Grades 9-12	5,537,636	61,527	5,599,163	5,549,153	50,010
Total Instruction	14,223,661	238,083	14,461,744	14,326,387	135,357
Regular Programs - Home Instruction:					
Salaries of teachers	60,000	30,823	90,823	90,823	-
Purchased professional - educ services	17,599	(10,000)	7,599	5,009	2,590
Total Home Instruction	77,599	20,823	98,422	95,832	2,590

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	\$ 380,461	\$ (380,461)	\$ -	\$ -	\$ -
Purchased professional - educ services	233,851	51,218	285,069	272,197	12,872
Purchased technical services	47,700	(1,218)	46,482	30,417	16,065
Other purchased services	287,542	16,374	303,916	297,182	6,734
General supplies	488,982	3,066	492,048	442,315	49,733
Textbooks	168,200	(27,636)	140,564	110,104	30,460
Other objects	24,000	150	24,150	13,466	10,684
Total Undistributed Instruction	<u>1,630,736</u>	<u>(338,507)</u>	<u>1,292,229</u>	<u>1,165,681</u>	<u>126,548</u>
Total - Regular Programs - Instruction	<u>15,931,996</u>	<u>(79,601)</u>	<u>15,852,395</u>	<u>15,587,900</u>	<u>264,495</u>
Special Educ Instruction - Learning/Lang. Disabilities					
Salaries of teachers	285,350	98,391	383,741	364,682	19,059
Other salaries for instruction	-	64,385	64,385	63,607	778
General supplies	-	-	-	-	-
Total Learning/Language Disabilities	<u>285,350</u>	<u>162,776</u>	<u>448,126</u>	<u>428,289</u>	<u>19,837</u>
Special Educ Instruction - Multiple Disabilities					
Salaries of teachers	707,385	(273,918)	433,467	365,027	68,440
Other salaries for instruction	-	196,334	196,334	183,684	12,650
General supplies	-	-	-	-	-
Total Multiple Disabilities	<u>707,385</u>	<u>(77,584)</u>	<u>629,801</u>	<u>548,711</u>	<u>81,090</u>
Special Educ Instruction - Res. Room/Res. Center					
Salaries of teachers	3,247,835	(232)	3,247,603	3,245,566	2,037
Other salaries for instruction	-	273,000	273,000	270,196	2,804
General supplies	27,000	-	27,000	24,904	2,096
Total Resource Room/Resource Center	<u>3,274,835</u>	<u>272,768</u>	<u>3,547,603</u>	<u>3,540,666</u>	<u>6,937</u>
Special Educ Instruction - Autism					
Salaries of teachers	-	-	-	-	-
Total Autism	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Part-time					
Salaries of teachers	196,783	3,200	199,983	194,230	5,753
Other salaries for instruction	90,864	18,529	109,393	109,104	289
General supplies	2,500	-	2,500	1,496	1,004
Total Preschool Disabilities - Part-time	<u>290,147</u>	<u>21,729</u>	<u>311,876</u>	<u>304,830</u>	<u>7,046</u>
Total Special Education - Instruction	<u>4,557,717</u>	<u>379,689</u>	<u>4,937,406</u>	<u>4,822,496</u>	<u>114,910</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries	520,314	151,668	671,982	669,909	2,073
Total Bilingual Education - Instruction	<u>520,314</u>	<u>151,668</u>	<u>671,982</u>	<u>669,909</u>	<u>2,073</u>

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Cocurricular Act - Inst.					
Salaries	\$ 292,292	\$ 26,104	\$ 318,396	\$ 305,339	\$ 13,057
Other purchased services	3,000	(3,000)	-	-	-
Supplies and materials	81,400	(29,670)	51,730	42,588	9,142
Other objects	2,060	5,270	7,330	5,866	1,464
Total School-Sponsored Cocurr. Act. - Inst	<u>378,752</u>	<u>(1,296)</u>	<u>377,456</u>	<u>353,793</u>	<u>23,663</u>
School-Sponsored Athletics - Inst.					
Salaries	380,278	15,438	395,716	395,715	1
Other purchased services	116,685	2,157	118,842	113,417	5,425
Supplies and materials	73,845	13,371	87,216	87,182	34
Other objects	1,850	(350)	1,500	848	652
Total School-Sponsored Athletics - Inst	<u>572,658</u>	<u>30,616</u>	<u>603,274</u>	<u>597,162</u>	<u>6,112</u>
Other Supplemental/At Risk Programs - Inst.					
Salaries of Reading Specialists	372,021	39,922	411,943	411,943	-
Total Supplemental/At Risk Programs - Inst	<u>372,021</u>	<u>39,922</u>	<u>411,943</u>	<u>411,943</u>	<u>-</u>
Undistributed Expenditures - Instruction					
Tuition to other lea's w/i state - regular	169,650	-	169,650	33,526	136,124
Tuition to other lea's w/i state - special	285,498	-	285,498	199,205	86,293
Tuition to county voc. school dist. - reg.	104,023	-	104,023	89,675	14,348
Tuition to county voc. school dist. - spl.	-	-	-	-	-
Tuition to CSSD & reg. day schools	906,370	(494,164)	412,206	222,637	189,569
Tuition to priv. sch. for the disabled w/i state	1,602,212	(28,261)	1,573,951	1,273,922	300,029
Tuition - state facilities	141,836	(141,836)	-	-	-
Tuition - other	85,075	-	85,075	49,536	35,539
Total Undistributed Expenditures - Instruction	<u>3,294,664</u>	<u>(664,261)</u>	<u>2,630,403</u>	<u>1,868,501</u>	<u>761,902</u>
Undistributed Expenditures - Attend. and Social Work					
Salaries	53,186	-	53,186	52,886	300
Total Undistributed Expenditures - Attendance	<u>53,186</u>	<u>-</u>	<u>53,186</u>	<u>52,886</u>	<u>300</u>
Undistributed Expenditures - Health Services					
Salaries	295,705	(6,872)	288,833	269,734	19,099
Purchased professional and technical services	25,500	90,000	115,500	72,162	43,338
Supplies and materials	13,164	(5,005)	8,159	5,365	2,794
Total Undistributed Expenditures - Health Svcs.	<u>334,369</u>	<u>78,123</u>	<u>412,492</u>	<u>347,261</u>	<u>65,231</u>
Undist. Expend. - Speech, OT, PT, & Rel. Serv.					
Salaries	467,154	10,364	477,518	477,085	433
Purchased professional and technical services	-	21,200	21,200	21,200	-
Supplies and materials	3,150	-	3,150	2,795	355
Total Undst. Expend. - Speech, OT, PT, & Rel. Serv.	<u>470,304</u>	<u>31,564</u>	<u>501,868</u>	<u>501,080</u>	<u>788</u>
Undist. Expend. - Sp. Ed. - Extraordinary Services.					
Salaries	606,953	(483,472)	123,481	77,813	45,668
Purchased professional and educational services	-	185,000	185,000	137,214	47,786
Total Undst. Expend. - Special Ed.- Extra. Serv.	<u>606,953</u>	<u>(298,472)</u>	<u>308,481</u>	<u>215,027</u>	<u>93,454</u>

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance					
Salaries of other professional staff	\$ 739,132	\$ 57,768	\$ 796,900	\$ 796,248	\$ 652
Salaries of secretarial and clerical assistants	208,736	1	208,737	197,534	11,203
Other purchased services (400-500)		-	-	-	-
Supplies and materials	5,000	702	5,702	5,652	50
Total Undst. Expend. - Guidance	952,868	58,471	1,011,339	999,434	11,905
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	1,086,489	164,531	1,251,020	1,242,413	8,607
Salaries of secretarial and clerical assistants	201,705	600	202,305	202,305	-
Purchased professional and educ. services	1,891,858	(330,023)	1,561,835	1,336,730	225,105
Other purchased services (400-500)	10,000	6,409	16,409	6,598	9,811
Supplies and materials	72,000	(909)	71,091	62,731	8,360
Other objects	5,000	2,500	7,500	6,268	1,232
Total Undst. Expend. - Child Study Teams	3,267,052	(156,892)	3,110,160	2,857,045	253,115
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	131,764	5,426	137,190	137,189	1
Salaries of other professional staff	237,867	(90,000)	147,867	123,644	24,223
Salaries of secretarial and clerical assistants	52,586	-	52,586	52,586	-
Salaries of Facilitators, Math & Literacy Coaches	86,649	-	86,649	86,649	-
Supplies and materials	1,000	-	1,000	808	192
Other objects	13,165	-	13,165	12,165	1,000
Total Undst. Expend. - Improvement of Instr. Services	523,031	(84,574)	438,457	413,041	25,416
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	444,588	7,608	452,196	452,196	-
Salaries of Technology Coordinators	300,630	302	300,932	298,930	2,002
Purchased professional and technical services	203,105	(199)	202,906	160,601	42,305
Supplies and materials	31,250	136	31,386	29,607	1,779
Total Undst. Expend. - Educ. Media Serv./Sch. Library	979,573	7,847	987,420	941,334	46,086
Instructional Staff Training Services					
Salaries of secretarial and clerical assistance	8,662	5,628	14,290	14,290	-
Purchased professional and educ. services	10,000	(227)	9,773	3,918	5,855
Other purchased services (400-500)	51,900	(2,255)	49,645	21,195	28,450
Other objects		24,000	24,000	24,000	-
Total instructional Staff Training Services	70,562	27,146	97,708	63,403	34,305
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	342,737	-	342,737	341,414	1,323
Legal services	82,000	18,000	100,000	83,801	16,199
Audit Fees	40,000	(8,000)	32,000	31,500	500
Architectural/Engineering Services	53,000	-	53,000	32,540	20,460
Other purchased professional services	16,000	(4,100)	11,900	8,158	3,742
Purchased technical services	4,700	-	4,700	3,339	1,361
Communications/Telephone	115,000	4,300	119,300	114,803	4,497
BOE Other purchased services (400-500)	8,700	(8,200)	500	-	500
Other purchased services (400-500)	12,900	3,977	16,877	16,179	698
General supplies	15,300	(3,500)	11,800	11,789	11
BOE In-House Training/Meeting Supplies	3,250	(1,160)	2,090	895	1,195
Miscellaneous expenditures	13,251	4,500	17,751	16,845	906
BOE membership dues and fees	22,500	(5,817)	16,683	16,683	-
Total Undst. Expend. - Supp. Serv. General Admin.	729,338	-	729,338	677,946	51,392

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	\$ 1,067,423	\$ 13,002	\$ 1,080,425	\$ 1,079,923	\$ 502
Salaries of secretarial and clerical assistants	358,411	(12,000)	346,411	338,838	7,573
Purchased professional and technical services	73,041	3,443	76,484	69,638	6,846
Other purchased services	5,000	(4,962)	38	37	1
Supplies and Materials	49,840	69	49,909	47,122	2,787
Other objects	13,728	448	14,176	12,735	1,441
Total Undst. Expend. - Supp. Serv. School Admin.	1,567,443	-	1,567,443	1,548,293	19,150
Undist. Expend. - Central Services					
Salaries	454,556	2,024	456,580	456,579	1
Purchased professional services	33,000	(2,024)	30,976	3,266	27,710
Purchased technical services	56,000	-	56,000	18,740	37,260
Misc. purchased services	4,000	-	4,000	384	3,616
Supplies and materials	10,000	-	10,000	9,404	596
Miscellaneous expenditures	8,000	-	8,000	6,222	1,778
Total Undst. Expend. - Central Services	565,556	-	565,556	494,595	70,961
Undist. Expend. - Admin. Info. Tech.					
Salaries	58,450	1	58,451	58,451	-
Purchased technical services	101,146	(69,352)	31,794	30,469	1,325
Other purchased services	5,000	(2,649)	2,351	490	1,861
Supplies and materials	-	72,000	72,000	67,252	4,748
Total Undst. Expend. - Admin. Info. Tech.	164,596	-	164,596	156,662	7,934
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	659,269	(24,959)	634,310	634,122	188
Cleaning, repair, and maintenance services	839,840	311,211	1,151,051	1,121,401	29,650
General supplies	92,236	(25,663)	66,573	57,997	8,576
Total Undst. Expend. - Required Maint. Sch. Facilities	1,591,345	260,589	1,851,934	1,813,520	38,414
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	53,709	1	53,710	53,709	1
Salaries of non-instructional aids	87,456	(37,349)	50,107	24,106	26,001
Purchased professional - tech services	34,550	13,137	47,687	40,843	6,844
Cleaning, repair, and maintenance services	1,592,165	(69,055)	1,523,110	1,400,676	122,434
Other purchased property services	62,000	7,580	69,580	57,150	12,430
Insurance	249,750	-	249,750	243,373	6,377
Miscellaneous purchased services	800	-	800	400	400
General supplies	357,117	39,568	396,685	359,436	37,249
Energy (natural gas)	233,000	(30,000)	203,000	147,891	55,109
Energy (electricity)	505,000	(50,000)	455,000	427,459	27,541
Other objects	1,600	-	1,600	250	1,350
Total Undst. Expend. - Other Oper. & Maint. of Plant	3,177,147	(126,118)	3,051,029	2,755,293	295,736
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	54,609	1	54,610	54,609	1
Purchased professional and technical services	201,532	71,790	273,322	268,128	5,194
General supplies	11,000	(1,000)	10,000	-	10,000
Total Undst. Expend. - Care and Upkeep of Grounds	267,141	70,791	337,932	322,737	15,195
Security					
Salaries	41,442	-	41,442	39,469	1,973
Purchased professional and technical services	233,000	70,000	303,000	281,987	21,013
General Supplies	20,000	15,000	35,000	34,278	722
Total Security	294,442	85,000	379,442	355,734	23,708
Total Undst. Expend. - Oper. & Maint. of Plant Services	5,330,075	290,262	5,620,337	5,247,284	373,053

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

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DELTRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$ 61,780	\$ 1	\$ 61,781	\$ 61,780	\$ 1
Contr. serv. - Aid in Lieu Pymts-nonpub Sch	90,000	2,000	92,000	83,000	9,000
Contr. serv. (bet. home & sch.) - vendors	1,248,480	278,900	1,527,380	1,488,858	38,522
Contr. serv. (other than bet. home & sch.) - vendors	197,574	333,465	531,039	530,639	400
Contr. serv. (sp ed stds) - vendors	911,495	140,771	1,052,266	1,018,116	34,150
Contr. serv. (sp ed stds) - joint agreements	140,454	(7,033)	133,421	82,818	50,603
Misc. purchased services - transportation	114,381	(101,000)	13,381	6,475	6,906
Total Undst. Expend. - Student Trans. Services	2,764,164	647,104	3,411,268	3,271,686	139,582
Unallocated Benefits - Employee Benefits					
Social security contributions	525,000	28,708	553,708	534,187	19,521
Other retirement contributions - PERS	492,975	22,547	515,522	515,522	-
Workmen's Compensation	260,000	(22,547)	237,453	186,515	50,938
Health benefits	7,708,081	(359,348)	7,348,733	7,047,691	301,042
Tuition reimbursements	47,100	-	47,100	17,834	29,266
Other Employee Benefits	393,000	5,950	398,950	387,932	11,018
Total Unallocated Benefits - Employee Benefits	9,426,156	(324,690)	9,101,466	8,689,681	411,785
On-behalf TPAF pension contributions (non-budgeted)				7,583,511	(7,583,511)
On-behalf TPAF medical (non-budgeted)				1,771,815	(1,771,815)
On-behalf TPAF LTDI (non-budgeted)				2,786	(2,786)
Reimbursed TPAF social security contributions (non-budgeted)				1,616,895	(1,616,895)
Total Undistributed Expenditures - TPAF				10,975,007	(10,975,007)
Total Undistributed Expenditures	31,099,890	(388,372)	30,711,518	39,320,166	(8,608,648)
Total General Current Expense	53,433,348	132,626	53,565,974	61,763,369	(8,197,395)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures - req. maint. school facilities	-	78,500	78,500	78,467	33
Undistributed expenditures - student Trans. - Non-Inst. Serv.	-	15,811	15,811	15,811	-
Total Equipment	-	94,311	94,311	94,278	33
Facilities Acquisition and Construction Services:					
Architect/Engineering Services		85,340	85,340	85,315	25
Construction	360,000	1,146,776	1,506,776	1,210,657	296,119
Land and Land Improvements	1,024,447	(145,005)	879,442	855,838	23,604
Lease Purchase Agreements - Principal	347,018	-	347,018	347,017	1
Assessment for Debt Service on SDA funding	20,110	-	20,110	20,110	-
Total Facilities Acquisition and Construction Services	1,751,575	1,087,111	2,838,686	2,518,937	319,749
Assets acquired under capital leases (non-budgeted):					
Equipment					
Undistributed expenditures - instruction				-	-
Total assets acquired under capital leases	-	-	-	-	-
Total Capital Outlay	1,751,575	1,181,422	2,932,997	2,613,215	319,782
Transfer of Funds to Charter Schools	41,088	-	41,088	11,344	29,744
Total Expenditures	55,226,011	1,314,048	56,540,059	64,387,928	(7,847,869)

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ (1,336,983)</u>	<u>\$ (1,146,555)</u>	<u>\$ (2,483,538)</u>	<u>\$ 1,446,820</u>	<u>\$ 3,930,358</u>
Other Financing Sources (Uses):					
Transfer in - Capital Projects				130,246	130,246
Total Other Financing Sources		-		<u>130,246</u>	<u>130,246</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,336,983)	(1,146,555)	(2,483,538)	1,577,066	4,060,604
Fund Balance, July 1	<u>13,349,822</u>		<u>13,349,822</u>	<u>13,349,822</u>	
Fund Balance, June 30	<u><u>\$ 12,012,839</u></u>	<u><u>\$ (1,146,555)</u></u>	<u><u>\$ 10,866,284</u></u>	<u><u>\$ 14,926,888</u></u>	<u><u>\$ 4,060,604</u></u>
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 5,889,000	
Capital Reserve				3,628,145	
Maintenance Reserve				1,859,356	
Excess Surplus:					
Designated for Subsequent Year's Expenditures				-	
Current Year				407,809	
Unemployment Compensation				78,849	
Assigned:					
Designated for Subsequent Year's Expenditures				628,344	
Unassigned				<u>2,435,385</u>	
				<u>14,926,888</u>	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(1,902,095)</u>	
Fund Balance per Government Fund (GAAP)				<u><u>\$ 13,024,793</u></u>	

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ 50	\$ 73,096	\$ 73,146	\$ 975,329	\$ 902,183
State sources	71,712	160,945	232,657	207,218	(25,439)
Federal sources	<u>5,197,623</u>	<u>129,358</u>	<u>5,326,981</u>	<u>2,372,424</u>	<u>(2,954,557)</u>
Total revenues	<u>5,269,385</u>	<u>363,399</u>	<u>5,632,784</u>	<u>3,554,971</u>	<u>(2,077,813)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	651,188	17,295	668,483	382,669	285,814
Purchased professional - educ. services	220,922	23,930	244,852	11,965	232,887
Tuition	811,427	24,118	835,545	835,545	-
Purchased professional - tech. services		28,250	28,250	24,270	3,980
General supplies	265,845	107,866	373,711	253,982	119,729
Other Objects	2,200	-	2,200	749	1,451
Textbooks		17,466	17,466	13,334	4,132
Total instruction	<u>1,951,582</u>	<u>218,925</u>	<u>2,170,507</u>	<u>1,522,514</u>	<u>647,993</u>
Support services:					
Salaries of other professional staff	389,233	(45)	389,188	15,430	373,758
Personal services - employee benefits	163,414	233	163,647	19,520	144,127
Purchased professional - educ. services	62,588	47,404	109,992	93,081	16,911
Purchased professional and technical services	394,167	50,792	444,959	227,487	217,472
Purchased professional		-			-
Travel	38,443	-	38,443	36,849	1,594
Other Objects	4	-	4		4
Supplies and materials	14,647	34,800	49,447	36,421	13,026
Building	71,712	-	71,712	71,712	-
Student activities				906,901	(906,901)
Total support services	<u>1,134,208</u>	<u>133,184</u>	<u>1,267,392</u>	<u>1,407,401</u>	<u>(140,009)</u>
Facilities acquisition and construction services:					
Building	2,168,595	-	2,168,595	612,345	1,556,250
Instructional		11,290	11,290	11,290	
Non- Instructional	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total facilities acq. and const. services	<u>2,183,595</u>	<u>11,290</u>	<u>2,194,885</u>	<u>623,635</u>	<u>1,571,250</u>
Total expenditures	<u>5,269,385</u>	<u>363,399</u>	<u>5,632,784</u>	<u>3,553,550</u>	<u>2,079,234</u>
Total outflows	<u>5,269,385</u>	<u>363,399</u>	<u>5,632,784</u>	<u>3,553,550</u>	<u>2,079,234</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,421</u>	<u>1,421</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,945</u>	<u>353,945</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,366</u>	<u>\$ 355,366</u>
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 355,366</u>	
Total Fund Balance				<u>\$ 355,366</u>	

DELRAN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
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) "revenue" from the budgetary comparison schedules	\$ 65,834,748	\$ 3,554,971
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,524,643	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,902,095)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 65,457,296	\$ 3,554,971
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 64,387,928	\$ 3,553,550
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 64,387,928	\$ 3,553,550

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

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

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0440197129%	0.0425707926%	0.0415731202%	0.0417056023%	0.0412538649%	0.0439013136%	0.0420543940%	0.0422519522%	0.0404034841%
District's proportionate share of the net pension liability (asset)	\$ 5,214,795	\$ 6,942,183	\$ 7,490,846	\$ 8,211,625	\$ 9,603,240	\$ 13,002,310	\$ 9,440,369	\$ 7,910,721	\$ 7,721,909
District's covered-employee payroll	3,367,922	3,295,501	3,193,928	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	154.84%	210.66%	234.53%	269.41%	326.01%	445.53%	324.59%	274.03%	272.06%
Plan fiduciary net position as a percentage of the total pension liability	51.51%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 555,784	\$ 515,522	\$ 465,704	\$ 406,004	\$ 416,885	\$ 387,473	\$ 390,013	\$ 361,555	\$ 348,319
Contributions in relation to the contractually required contributions	<u>(555,784)</u>	<u>(515,522)</u>	<u>(465,704)</u>	<u>(406,004)</u>	<u>(416,885)</u>	<u>(387,473)</u>	<u>(390,013)</u>	<u>(361,555)</u>	<u>(348,319)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	3,367,922	3,295,501	3,193,928	3,047,973	2,945,727	2,918,409	2,908,363	2,886,816	2,838,281
Contributions as a percentage of covered-employee payroll	16.50%	15.64%	14.58%	13.32%	14.15%	13.28%	13.41%	12.52%	12.27%

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

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

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1784186515%	0.1802611421%	0.1764994536%	0.1699670340%	0.1719759835%	0.1740272235%	0.1674755276%	0.1638892624%	0.1672709993%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 85,775,103</u>	<u>\$ 118,699,793</u>	<u>\$ 108,319,381</u>	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
Total	<u>\$ 85,775,103</u>	<u>\$ 118,699,793</u>	<u>\$ 108,319,381</u>	<u>\$ 108,129,376</u>	<u>\$ 115,952,409</u>	<u>\$ 136,900,894</u>	<u>\$ 105,851,685</u>	<u>\$ 87,593,477</u>	<u>\$ 84,537,447</u>
District's covered-employee payroll	22,255,843	20,937,858	20,380,225	19,770,078	19,161,160	18,350,014	17,728,774	17,726,454	17,428,428
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	51.51%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.19%	0.18%	0.18%	0.18%	0.18%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 112,411,375	\$ 125,139,052	\$ 76,788,477	\$ 83,194,173	\$ 97,557,199
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 112,411,375</u>	<u>\$ 125,139,052</u>	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability					
Service Cost	\$ 5,838,594	\$ 3,332,913	\$ 3,079,745	\$ 3,444,684	\$ 4,155,935
Interest	2,916,069	2,767,597	3,294,961	3,577,762	3,100,676
Changes in benefit terms	(119,648)				
Differences between expected and actual experiences	(19,251,098)	21,503,996	(11,638,021)	(9,690,826)	
Changes of assumptions	110,902	22,858,605	1,144,923	(9,546,948)	(13,243,258)
Member Contributions	74,550	66,032	69,873	76,885	83,205
Benefit payments	<u>(2,297,046)</u>	<u>(2,178,568)</u>	<u>(2,357,177)</u>	<u>(2,224,583)</u>	<u>(2,259,632)</u>
Net Change in total OPEB Liability	\$ (12,727,677)	\$ 48,350,575	\$ (6,405,696)	\$ (14,363,026)	\$ (8,163,074)
Total OPEB Liability - beginning	<u>\$ 125,139,052</u>	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>	<u>\$ 105,720,273</u>
Total OPEB Liability - ending	<u>\$ 112,411,375</u>	<u>\$ 125,139,052</u>	<u>\$ 76,788,477</u>	<u>\$ 83,194,173</u>	<u>\$ 97,557,199</u>
District's covered-employee payroll	25,623,765	24,233,359	23,574,153	22,818,051	22,106,887
Total OPEB Liability as a percentage of covered-employee payroll	438.70%	516.39%	325.73%	364.60%	441.30%

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

Delran Township School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2022

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate remained at 7.00% as of June 30, 2020, and June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Other Supplementary Information

Special Revenue Fund

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Total
REVENUES:					
Local sources	\$ 17,640	\$ 908,322	\$ 49,367	\$ -	\$ 975,329
State sources	207,218	-	-	-	207,218
Federal sources	-	1,280,987	45,296	1,046,141	2,372,424
	<u>224,858</u>	<u>2,189,309</u>	<u>94,663</u>	<u>1,046,141</u>	<u>3,554,971</u>
Total Revenues					
EXPENDITURES:					
Instruction:					
Salaries of teachers	-	243,919	-	138,750	382,669
Professional education services	7,465	4,500	-	-	11,965
Tuition	-	835,545	-	-	835,545
Professional technical services	18,395	-	-	5,875	24,270
General supplies	63,160	72,762	64,992	53,068	253,982
Other Objects	-	749	-	-	749
Textbooks	13,334	-	-	-	13,334
	<u>102,354</u>	<u>1,157,475</u>	<u>64,992</u>	<u>197,693</u>	<u>1,522,514</u>
Total instruction					
Support services:					
Salaries of other professional staff	-	15,430	-	-	15,430
Personal services-employee benefits	-	19,287	-	233	19,520
Purchased prof. and educational services	-	45,677	-	47,404	93,081
Purchase professional and technical services	50,792	-	-	176,695	227,487
Purchase professional	-	-	-	-	-
Building	71,712	-	-	-	71,712
Travel	-	36,849	-	-	36,849
Other Objects	-	-	-	-	-
Supplies and materials	-	6,269	29,671	481	36,421
Student activities	-	906,901	-	-	906,901
	<u>122,504</u>	<u>1,030,413</u>	<u>29,671</u>	<u>224,813</u>	<u>1,407,401</u>
Total support services					
Facilities acquisition and const. serv.:					
Building	-	-	-	612,345	612,345
Instructional equipment	-	-	-	11,290	11,290
	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,635</u>	<u>623,635</u>
Total facilities acquisition and const. serv.:					
Total Expenditures	<u>224,858</u>	<u>2,187,888</u>	<u>94,663</u>	<u>1,046,141</u>	<u>3,553,550</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>1,421</u>	<u>-</u>	<u>-</u>	<u>1,421</u>
Fund Balance, July 1	<u>-</u>	<u>353,945</u>	<u>-</u>	<u>-</u>	<u>353,945</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 355,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,366</u>

DELTRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	Emergent Cap. & Maint	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology	NJSIG Safety	Chapter 193 Handicapped Services Supplementary Instruction	Chapter 193 Handicapped Services Corrective Speech	Chapter 193 Handicapped Services Exam & Classification	Carried Forward (Exh. E-1A)
REVENUES:										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,640	\$ -	\$ -	\$ -	\$ 17,640
State sources	<u>71,712</u>	<u>13,334</u>	<u>33,152</u>	<u>50,992</u>	<u>12,168</u>	<u>-</u>	<u>6,535</u>	<u>930</u>	<u>18,395</u>	<u>207,218</u>
Total Revenues	<u>71,712</u>	<u>13,334</u>	<u>33,152</u>	<u>50,992</u>	<u>12,168</u>	<u>17,640</u>	<u>6,535</u>	<u>930</u>	<u>18,395</u>	<u>224,858</u>
EXPENDITURES:										
Instruction:										
Professional education services							6,535	930		7,465
Professional technical services									18,395	18,395
General supplies				50,992	12,168					63,160
Textbooks		<u>13,334</u>								<u>13,334</u>
Total instruction	<u>-</u>	<u>13,334</u>	<u>-</u>	<u>50,992</u>	<u>12,168</u>	<u>-</u>	<u>6,535</u>	<u>930</u>	<u>18,395</u>	<u>102,354</u>
Support services:										
Purchased prof. and educational services										-
Purchase professional and technical services			33,152			17,640				50,792
Purchase professional Building	<u>71,712</u>									<u>71,712</u>
Total support services	<u>71,712</u>	<u>-</u>	<u>33,152</u>	<u>-</u>	<u>-</u>	<u>17,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,504</u>
Facilities acquisition and const. serv.:										
Building										-
Non-Instructional equipment										-
Total facilities acquisition and const. serv.:							-			
Total Expenditures	<u>71,712</u>	<u>13,334</u>	<u>33,152</u>	<u>50,992</u>	<u>12,168</u>	<u>17,640</u>	<u>6,535</u>	<u>930</u>	<u>18,395</u>	<u>224,858</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	Every Student Succeeds Act (ESSA)					IDEA Part B				Student Activity Fund	Carried Forward (Exh. E-1A)
	Title I	Title II-A	Title III	Title III Immigrant	Title IV	Basic	ARP Basic	Preschool	ARP Preschool		
REVENUES:											
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,322	\$ 908,322
State sources											-
Federal sources	266,549	67,922	42,811	17,619	33,704	669,473	145,944	24,118	12,847		1,280,987
Total Revenues	266,549	67,922	42,811	17,619	33,704	669,473	145,944	24,118	12,847	908,322	2,189,309
EXPENDITURES:											
Instruction:											
Salaries of teachers	225,820		18,099								243,919
Professional education services					4,500						4,500
Tuition						652,636	145,944	24,118	12,847		835,545
General supplies	20,693		17,110	9,115	25,844						72,762
Other Objects	749										749
Total instruction	247,262	-	35,209	9,115	30,344	652,636	145,944	24,118	12,847	-	1,157,475
Support services:											
Salaries of other professional staff		5,237	871	7,362	1,960						15,430
Personal services-employee benefits	19,287										19,287
Purchased prof. and educational services		28,840				16,837					45,677
Travel		30,517	4,932		1,400						36,849
Supplies and materials		3,328	1,799	1,142							6,269
Student Activities										906,901	906,901
Total support services	19,287	67,922	7,602	8,504	3,360	16,837	-	-	-	906,901	1,030,413
Facilities acquisition and const. serv.:											
Building											
Non-Instructional equipment											
Total facilities acquisition and const. serv.:											
Total Expenditures	266,549	67,922	42,811	17,619	33,704	669,473	145,944	24,118	12,847	906,901	2,187,888
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	-	1,421	1,421
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	353,945	353,945
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,366	\$ 355,366

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	NJ Stem Pathways	Sustainable NJ	Sustainable NJ Food Waste	Delran Educ. Foundation	DIS Patient First	Lockheed Martin	CARES Act - ESSER	Carried Forward (Exh. E-1A)
REVENUES:								
Local sources	\$ 1,999	\$ 4,872	\$ 23,800	\$ 10,457	\$ 999	\$ 7,240	\$ -	\$ 49,367
State sources								-
Federal sources							45,296	45,296
Total Revenues	<u>1,999</u>	<u>4,872</u>	<u>23,800</u>	<u>10,457</u>	<u>999</u>	<u>7,240</u>	<u>45,296</u>	<u>94,663</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers								-
Professional education services								-
General supplies	1,999			10,457		7,240	45,296	64,992
Total instruction	<u>1,999</u>	<u>-</u>	<u>-</u>	<u>10,457</u>	<u>-</u>	<u>7,240</u>	<u>45,296</u>	<u>64,992</u>
Support services:								
Professional education services								-
Professional technical services								-
Other Objects								-
Supplies and materials		4,872	23,800		999			29,671
Total support services	<u>-</u>	<u>4,872</u>	<u>23,800</u>	<u>-</u>	<u>999</u>	<u>-</u>	<u>-</u>	<u>29,671</u>
Facilities acquisition and const. serv.:								
Engineering								-
Construction								-
Total facilities acquisition and const. serv.:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,999</u>	<u>4,872</u>	<u>23,800</u>	<u>10,457</u>	<u>999</u>	<u>7,240</u>	<u>45,296</u>	<u>94,663</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2022

	Coronavirus Relief Fund	CRRSA ESSER II	CRRSA Learning Acceleration	ARP ESSER III	ARP Beyond the School Day	Middle Grades Career Awareness	ACSERS	Carried Forward (Exh. E-1A)
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources								-
Federal sources	481	828,168	39,999	25,077	40,000	68,916	43,500	1,046,141
Total Revenues	481	828,168	39,999	25,077	40,000	68,916	43,500	1,046,141
EXPENDITURES:								
Instruction:								
Salaries of teachers		45,128	33,999	16,574	40,000	3,049		138,750
Professional education services								-
Professional technical services						5,875		5,875
General supplies				8,503		44,565		53,068
Total instruction	-	45,128	33,999	25,077	40,000	53,489	-	197,693
Support services:								
Employee Benefits						233		233
Professional education services						3,904	43,500	47,404
Professional technical services		170,695	6,000					176,695
Other Objects								-
Supplies and materials	481							481
Total support services	481	170,695	6,000	-	-	4,137	43,500	224,813
Facilities acquisition and const. serv.:								
Building		612,345						612,345
Instructional Equipment						11,290		11,290
Total facilities acquisition and const. serv.:	-	612,345	-	-	-	11,290	-	623,635
Total Expenditures	481	828,168	39,999	25,077	40,000	68,916	43,500	1,046,141
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund
Detail Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2022

Revenues and Other Financing Sources:

SDA Grant	\$ (302,451)
Transfer from Capital Reserve	
Interest Earned on Investments	
	<hr/>
Total revenues and other financing sources	(302,451)

Expenditures and Other Financing (Uses):

Purchased professional services	
Construction services	
Transfer to General Fund - Capital Reserve	130,246
Transfer to Debt Service Fund	73,405
	<hr/>
Total expenditures and other financing (uses)	203,651
	<hr/>
Excess (deficiency) or revenues over (under) expenditures	(506,102)
	<hr/>
Fund Balance - July 1, 2021	506,102
	<hr/>
Fund Balance - June 30, 2022	\$ -

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements to District Facilities
From Inception and for the Fiscal Year ended June 30, 2022

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof Replacement and Crawlspace Ventilation
From Inception and for the Fiscal Year ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ 948,028	\$ (302,451)	\$ 645,577	\$ 645,577
Transfer from capital reserve	1,039,294		1,039,294	1,039,294
Total revenues	<u>1,987,322</u>	<u></u>	<u>1,684,871</u>	<u>1,684,871</u>
Expenditures and Other Financing Uses:				
Purchased professional services	22,827		22,827	22,827
Construction services	1,531,798		1,531,798	1,531,798
Transfer to capital reserve		130,246	130,246	130,246
	<u>1,554,625</u>	<u>130,246</u>	<u>1,684,871</u>	<u>1,684,871</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 432,697</u>	<u>\$ (130,246)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	1060-007-14-1002			
Grant Date	7/1/2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$1,987,322			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$1,987,322			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	09/30/15			
Revised target completion date	06/30/16			

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2022

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

Proprietary Funds

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Net Position
as of June 30, 2022

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 859,929
Accounts receivable:	
State	1,496
Federal	95,761
Inventories	13,898
	<hr/>
Total current assets	971,084
	<hr/>
Fixed assets:	
Equipment	1,368,405
Less: Accumulated depreciation	(686,989)
	<hr/>
Total fixed assets	681,416
	<hr/>
Total assets	1,652,500
	<hr/>
LIABILITIES:	
Current liabilities:	
Accounts payable	374,678
Interfund payable	125,152
Unearned revenue	36,015
	<hr/>
Total current liabilities	535,845
	<hr/>
NET POSITION:	
Net investment in capital assets	681,416
Unreserved retained earnings	435,239
	<hr/>
Total Net Position	<u>\$ 1,116,655</u>

DELTRAN TOWNSHIP SCHOOL DISTRICT

Enterprise Fund

Statement of Revenues, Expenses and Change in Fund Net Position
for the Fiscal Year ended June 30, 2022

	Food Service Fund
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 1,691
Total-daily sales-reimbursable programs	1,691
Daily sales non-reimbursable programs	91,668
Total operating revenue	93,359
OPERATING EXPENSES:	
Salaries	455,287
Employee benefits	78,146
Supplies and materials	64,945
Depreciation	40,860
Management fee	92,328
Purchased professional services	100,639
Repairs and maintenance of equipment	24,452
Cost of sales - reimbursable programs	554,441
Cost of sales - nonreimbursable programs	28,208
Direct services	30,203
Other	3,810
Total operating expenses	1,473,319
Operating income (loss)	(1,379,960)
Non-operating revenues:	
State sources:	
State school lunch program	31,116
Federal sources:	
National school lunch program	1,322,809
National school breakfast program	444,280
Emergency operational cost program - schools	659
P-EBT administrative cost	1,242
U.S.D.A. commodities	98,584
Total non-operating revenues	1,898,690
Net income (loss)	518,730
Net Position - July 1	597,925
Net Position - June 30	\$ 1,116,655

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Years ended June 30, 2022

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 87,652
Cash payments to employees for services	(505,455)
Cash payments to suppliers for goods and services	(817,623)
Net cash used by operating activities	(1,235,426)
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	1,798,218
Net cash provided by noncapital financing activities	1,798,218
Cash flows from capital financing activities:	
Purchases of fixed assets	-
Net cash used by capital financing activities	-
Net increase (decrease) in cash and cash equivalents	562,792
Cash and cash equivalents, July 1	297,137
Cash and cash equivalents, June 30	\$ 859,929
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (1,379,960)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	40,860
Federal commodities	98,584
Change in assets and liabilities:	
(Increase)/decrease in inventory	(2,665)
Increase/(decrease) in unearned revenue	(5,706)
Increase/(decrease) in interfunds payable	26,000
Increase/(decrease) in accounts payable	(12,539)
Net cash used by operating activities	\$ (1,235,426)

Long-Term Debt Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
Refunding Bonds	10/6/2015	\$ 2,115,000	01/15/2023	\$ 325,000	2.000%	\$ 640,000	\$ -	\$ 315,000	\$ 325,000
Refunding School Bonds	4/14/2016	21,360,000	7/15/2022	1,575,000	4.000%	18,030,000		1,515,000	16,515,000
			7/15/2023	1,980,000	4.000%				
			7/15/2024	2,045,000	2.000%				
			7/15/2025	2,080,000	2.000%				
			7/15/2026	2,125,000	2.125%				
			7/15/2027	2,180,000	4.000%				
			7/15/2028	2,245,000	2.250%				
			7/15/2029	2,285,000	2.500%				
Total						<u>\$ 18,670,000</u>	<u>\$ -</u>	<u>\$ 1,830,000</u>	<u>\$ 16,840,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
 Schedule of Obligations Under Financed Purchases
 June 30, 2022

Description	Interest Rate Payable	Amount of Original Issue	Balance June 30, 2021	Issued Current Year	Retired Current Year	Balance June 30, 2022
Energy Savings Improvement Program	2.38%	\$ 4,560,000	\$ 3,262,000	-	\$ 271,000	\$ 2,991,000
Technology Equipment	2.00%	285,880	193,812	-	95,497	98,315
Chromebooks	1.40%	178,403	-	178,403	-	178,403
Toshiba Copiers	0.39%	465,544	-	465,544	84,562	380,982
Total			<u>\$ 3,455,812</u>	<u>\$ 643,947</u>	<u>\$ 451,059</u>	<u>\$ 3,648,700</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,965,664	\$ -	\$ 1,965,664	\$ 1,965,664	\$ -
Miscellaneous					-
Total revenues - local sources	<u>1,965,664</u>		<u>1,965,664</u>	<u>1,965,664</u>	
State sources:					
Debt service aid type II	378,430		378,430	378,430	
Total revenues - state sources	<u>378,430</u>		<u>378,430</u>	<u>378,430</u>	
Total Revenues	<u>2,344,094</u>		<u>2,344,094</u>	<u>2,344,094</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	1,830,000		1,830,000	1,830,000	
Interest on bonds	514,094		514,094	514,094	-
Total Expenditures	<u>2,344,094</u>		<u>2,344,094</u>	<u>2,344,094</u>	-
Excess (Deficiency) of revenues over (under) expenditures	-		-	-	
Other Financing Sources (Uses):					
Operating transfer in				73,405	73,405
Total Other Financing Sources (Uses)				<u>73,405</u>	<u>73,405</u>
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-		-	73,405	73,405
Fund Balances, July 1	-		-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,405</u>	<u>\$ 73,405</u>

Statistical Section

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

EXHIBIT J-1

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 8,434,666	\$ 9,582,074	\$ 10,712,615	\$ 10,878,711	\$ 7,573,286	\$ 9,030,715	\$ 10,530,730	\$ (4,026,452)	\$ (2,912,182)	\$ (2,174,706)
Restricted for:										
Special revenue	-	-	-	-	-	-	-	-	353,945	355,366
Capital projects	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443	3,852,514	7,802,732	9,517,145
Debt service	16,772	498	1	38,111	165,581	129,961	6,571	4,080	-	73,405
Other purposes	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714	5,197,323	2,938,854	2,346,014
Unrestricted	(1,361,007)	(1,294,478)	(8,719,600)	(8,758,019)	(10,214,670)	(10,861,221)	(11,047,165)	(10,966,677)	(9,063,830)	(8,244,532)
Total governmental activities net position	<u>\$ 12,575,525</u>	<u>\$ 12,308,604</u>	<u>\$ 5,662,307</u>	<u>\$ 5,376,637</u>	<u>\$ 1,715,232</u>	<u>\$ 3,606,003</u>	<u>\$ 5,571,293</u>	<u>\$ (5,939,212)</u>	<u>\$ (880,481)</u>	<u>\$ 1,872,692</u>
Business-type activities:										
Net investment in capital assets	\$ 215,563	\$ 214,303	\$ 174,790	\$ 236,411	\$ 253,287	\$ 224,091	\$ 314,557	\$ 371,201	\$ 349,741	\$ 681,416
Unrestricted	391,787	477,672	393,459	416,701	516,167	573,706	568,549	368,901	248,184	435,239
Total business-type activities net position	<u>\$ 607,350</u>	<u>\$ 691,975</u>	<u>\$ 568,249</u>	<u>\$ 653,112</u>	<u>\$ 769,454</u>	<u>\$ 797,797</u>	<u>\$ 883,106</u>	<u>\$ 740,102</u>	<u>\$ 597,925</u>	<u>\$ 1,116,655</u>
District-wide:										
Net investment in capital assets	\$ 8,650,229	\$ 9,796,377	\$ 10,887,405	\$ 11,115,122	\$ 7,826,573	\$ 9,254,806	\$ 10,845,287	\$ (3,655,251)	\$ (2,562,441)	\$ (1,493,290)
Restricted:										
Special revenue	-	-	-	-	-	-	-	-	353,945	355,366
Capital projects	143,044	88,570	1,331,293	1,044,651	1,844,651	2,852,299	3,654,443	3,852,514	7,802,732	9,517,145
Debt service	16,772	498	1	38,111	165,581	129,961	6,571	4,080	-	73,405
Other purposes	5,342,050	3,931,940	2,337,998	2,173,183	2,346,384	2,454,249	2,426,714	5,197,323	2,938,854	2,346,014
Unrestricted	(969,220)	(816,806)	(8,326,141)	(8,341,318)	(9,698,503)	(10,287,515)	(10,478,616)	(10,597,776)	(8,815,646)	(7,809,293)
Total district net position	<u>\$ 13,182,875</u>	<u>\$ 13,000,579</u>	<u>\$ 6,230,556</u>	<u>\$ 6,029,749</u>	<u>\$ 2,484,686</u>	<u>\$ 4,403,800</u>	<u>\$ 6,454,399</u>	<u>\$ (5,199,110)</u>	<u>\$ (282,556)</u>	<u>\$ 2,989,347</u>

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

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 12,889,137	\$ 13,585,210	\$ 13,678,892	\$ 13,777,859	\$ 14,271,786	\$ 14,874,881	\$ 14,812,158	\$ 15,045,728	\$ 16,206,132	\$ 16,339,954
Special education	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935	5,031,505	4,930,017	5,658,041
Other instruction	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920	1,514,060	1,438,235	2,032,807
Support Services:										
Tuition	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482	2,478,924	2,280,685	1,868,501
Student & instruction related services	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726	5,803,141	6,559,176	7,778,392
School administrative services	1,630,873	1,567,995	1,536,975	1,523,544	1,536,303	1,446,260	1,538,027	1,525,236	1,519,091	1,548,293
General and business administrative services	1,390,571	1,491,862	1,461,655	1,334,095	1,333,872	1,258,288	1,273,087	1,377,562	1,501,593	1,453,981
Plant operations and maintenance	4,465,667	4,253,137	3,450,635	5,640,717	8,265,197	4,128,216	4,904,280	22,004,120	6,079,576	9,363,697
Pupil transportation	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489	1,794,948	2,051,809	3,271,686
Unallocated employee benefits	9,534,225	9,802,155	11,000,704	12,469,191	13,951,781	27,578,154	24,849,063	23,433,200	30,405,300	26,406,270
Charter schools	-	-	-	-	-	52,612	19,535	20,421	56,192	11,344
Interest on long-term debt	1,291,209	1,236,235	1,156,126	959,055	794,684	754,274	699,256	614,423	608,066	422,656
Unallocated depreciation	6,910	42,481	46,777	25,715	76,834	37,704	38,018	9,993	45,150	45,149
Total governmental activities expenses	<u>45,176,371</u>	<u>46,362,786</u>	<u>47,419,876</u>	<u>51,086,566</u>	<u>55,606,534</u>	<u>66,201,424</u>	<u>65,469,976</u>	<u>80,653,261</u>	<u>73,681,022</u>	<u>76,200,771</u>
Business-type activities:										
Food service	1,070,224	1,094,819	1,350,480	1,275,494	1,208,353	1,277,048	1,203,391	1,256,245	875,881	1,473,319
Total business-type activities expense	<u>1,070,224</u>	<u>1,094,819</u>	<u>1,350,480</u>	<u>1,275,494</u>	<u>1,208,353</u>	<u>1,277,048</u>	<u>1,203,391</u>	<u>1,256,245</u>	<u>875,881</u>	<u>1,473,319</u>
Total district expenses	<u>\$ 46,246,595</u>	<u>\$ 47,457,605</u>	<u>\$ 48,770,356</u>	<u>\$ 52,362,060</u>	<u>\$ 56,814,887</u>	<u>\$ 67,478,472</u>	<u>\$ 66,673,367</u>	<u>\$ 81,909,506</u>	<u>\$ 74,556,903</u>	<u>\$ 77,674,090</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 4,777,516	\$ 5,020,135	\$ 5,459,573	\$ 7,183,901	\$ 6,581,335	\$ 21,855,915	\$ 18,959,751	\$ 17,567,684	\$ 24,429,197	\$ 22,430,012
Charges for services	-	-	-	-	-	-	-	-	128,292	243,828
Total governmental activities program revenues	<u>4,777,516</u>	<u>5,020,135</u>	<u>5,459,573</u>	<u>7,183,901</u>	<u>6,581,335</u>	<u>21,855,915</u>	<u>18,959,751</u>	<u>17,567,684</u>	<u>24,557,489</u>	<u>22,673,840</u>
(Continued)										
Business-type activities:										
Charges for services:										
Food service	\$ 668,896	\$ 703,279	\$ 718,271	\$ 753,121	\$ 766,428	\$ 755,057	\$ 760,328	\$ 528,188	\$ 18,405	\$ 93,359
Operating grants and contributions	417,918	478,165	508,483	546,300	558,267	550,334	528,372	585,053	715,299	1,898,690
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>1,086,814</u>	<u>1,181,444</u>	<u>1,226,754</u>	<u>1,299,421</u>	<u>1,324,695</u>	<u>1,305,391</u>	<u>1,288,700</u>	<u>1,113,241</u>	<u>733,704</u>	<u>1,992,049</u>
Total district program revenues	<u>\$ 5,864,330</u>	<u>\$ 6,201,579</u>	<u>\$ 6,686,327</u>	<u>\$ 8,483,322</u>	<u>\$ 7,906,030</u>	<u>\$ 23,161,306</u>	<u>\$ 20,248,451</u>	<u>\$ 18,680,925</u>	<u>\$ 25,291,193</u>	<u>\$ 24,665,889</u>
Net (Expense)/Revenue:										
Governmental activities	(40,398,855)	(41,342,651)	(41,960,303)	(43,902,665)	(49,025,199)	(44,345,509)	(46,510,225)	(63,085,577)	(49,123,533)	(53,526,931)
Business-type activities	16,590	86,625	(123,726)	23,927	116,342	28,343	85,309	(143,004)	(142,177)	518,730
Total district-wide net expense	<u>(40,382,265)</u>	<u>(41,256,026)</u>	<u>(42,084,029)</u>	<u>(43,878,738)</u>	<u>(48,908,857)</u>	<u>(44,317,166)</u>	<u>(46,424,916)</u>	<u>(63,228,581)</u>	<u>(49,265,710)</u>	<u>(53,008,201)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	26,290,827	26,816,644	28,374,222	29,341,706	30,804,368	31,420,455	32,048,864	32,689,841	33,343,638	33,343,638
Taxes levied for debt service	1,942,891	2,090,932	2,051,483	2,054,177	2,075,461	1,965,232	1,849,788	1,962,551	1,962,296	1,965,664
Unrestricted grants and contributions	12,240,166	11,949,588	12,121,250	11,964,625	12,126,123	12,631,641	14,095,659	16,492,207	18,177,230	20,596,935
Investment earnings	103,035	104,203	-	-	-	-	-	-	-	945
Miscellaneous income	767,136	114,363	184,528	256,487	357,842	218,952	481,204	430,473	265,176	372,922
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>41,344,055</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,616,995</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>	<u>51,575,072</u>	<u>53,748,340</u>	<u>56,280,104</u>
Business-type activities:										
Investment earnings	392	-	-	-	-	-	-	-	-	-
Contributed capital	-	-	-	60,936	-	-	-	-	-	-
Total business-type activities	<u>392</u>	<u>-</u>	<u>-</u>	<u>60,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>41,344,447</u>	<u>41,075,730</u>	<u>42,731,483</u>	<u>43,677,931</u>	<u>45,363,794</u>	<u>46,236,280</u>	<u>48,475,515</u>	<u>51,575,072</u>	<u>53,748,340</u>	<u>56,280,104</u>
Change in Net Position:										
Governmental activities	\$ 945,200	\$ (266,921)	\$ 771,180	\$ (285,670)	\$ (3,661,405)	\$ 1,890,771	\$ 1,965,290	\$ (11,510,505)	\$ 4,624,807	\$ 2,753,173
Business-type activities	16,982	86,625	(123,726)	84,863	116,342	28,343	85,309	(143,004)	(142,177)	518,730
Total district-wide	<u>\$ 962,182</u>	<u>\$ (180,296)</u>	<u>\$ 647,454</u>	<u>\$ (200,807)</u>	<u>\$ (3,545,063)</u>	<u>\$ 1,919,114</u>	<u>\$ 2,050,599</u>	<u>\$ (11,653,509)</u>	<u>\$ 4,482,630</u>	<u>\$ 3,271,903</u>

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

EXHIBIT J-3

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Reserved for:										
Encumbrances	\$ 214,577	\$ 72,938	\$ 4,487	\$ 53,169	\$ 38,254	\$ 267,653	\$ 115,239	\$ 1,850,017	\$ -	\$ -
Maintenance reserve	300,000	156,325	156,325	156,325	156,325	457,232	859,884	1,860,190	2,156,856	1,859,356
Capital reserve	1,551,146	1,102,219	1,257,888	518,594	1,318,594	2,326,242	3,148,341	3,346,412	7,296,630	9,517,145
Unemployment compensation	-	-	-	-	-	-	-	-	78,849	78,849
Legally restricted	909,015	621,248	701,580	675,000	675,000	333,991	708,044	783,967	703,149	-
Excess surplus	2,367,312	1,979,210	1,475,606	1,288,689	1,476,805	1,395,373	743,547	703,149	-	407,809
Designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	276,834	628,344
Unreserved	62,240	161,861	196,045	125,651	165,748	(165,137)	(272,245)	(172,464)	1,312,861	533,290
Total general fund	<u>\$ 5,404,290</u>	<u>\$ 4,093,801</u>	<u>\$ 3,791,931</u>	<u>\$ 2,817,428</u>	<u>\$ 3,830,726</u>	<u>\$ 4,615,354</u>	<u>\$ 5,302,810</u>	<u>\$ 8,371,271</u>	<u>\$ 11,825,179</u>	<u>\$ 13,024,793</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ 119,180	\$ 15,165	\$ -	\$ -	\$ 47,348	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	353,945	355,366
Capital projects fund	23,864	73,405	73,405	526,057	478,709	526,057	506,102	506,102	506,102	-
Debt service fund	16,772	498	1	38,111	165,581	129,961	6,571	4,080	-	73,405
Total all other governmental funds	<u>\$ 159,816</u>	<u>\$ 89,068</u>	<u>\$ 73,406</u>	<u>\$ 564,168</u>	<u>\$ 691,638</u>	<u>\$ 656,018</u>	<u>\$ 512,673</u>	<u>\$ 510,182</u>	<u>\$ 860,047</u>	<u>\$ 428,771</u>

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

EXHIBIT J-4

Fiscal Year Ending June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 28,233,718	\$ 28,907,576	\$ 30,425,705	\$ 31,395,883	\$ 32,879,829	\$ 33,385,687	\$ 33,898,652	\$ 34,652,392	\$ 35,305,934	\$ 35,309,302
Tuition charges	103,035	104,203	85,960	119,734	111,891	39,298	60,249	110,696	128,292	243,828
Interest earnings	1,983	-	5,669	4,397	6,285	2,491	19,545	-	-	945
Miscellaneous	773,798	117,054	92,899	147,114	254,251	249,231	401,410	889,615	265,176	372,922
Local sources									509,532	975,329
State sources	16,004,392	15,793,662	16,465,984	17,909,513	17,596,690	18,717,152	21,495,363	23,547,446	26,689,194	31,710,998
Federal sources	1,010,364	1,173,370	1,114,839	1,224,255	1,096,183	1,118,437	1,205,859	1,333,880	1,508,729	2,440,586
Total revenue	46,127,290	46,095,865	48,191,056	50,800,896	51,945,129	53,512,296	57,081,078	60,534,029	64,406,857	71,053,910
Expenditures										
Instruction										
Regular Instruction	12,259,661	12,877,848	13,026,318	13,151,593	13,732,319	14,299,393	14,296,065	14,905,664	16,064,848	16,274,869
Special education instruction	3,824,781	4,022,642	3,992,508	4,181,113	4,348,323	4,358,106	4,810,935	5,031,505	4,930,017	5,658,041
Other instruction	1,201,593	1,217,019	1,181,252	1,156,534	1,240,395	1,314,609	1,500,920	1,514,060	1,438,235	2,032,807
Support Services:										
Tuition	1,778,003	2,079,494	2,300,538	2,154,434	2,496,063	2,485,134	2,690,482	2,478,924	2,280,685	1,868,501
Student & instruction related services	4,491,056	4,802,353	5,389,417	5,736,278	5,248,989	5,715,657	5,988,726	5,803,141	6,559,176	7,778,392
School administrative services	1,533,690	1,567,995	1,536,975	1,523,544	1,457,422	1,446,260	1,538,027	1,525,236	1,519,091	1,548,293
General and business admin. services	1,390,571	1,396,782	1,368,100	1,247,661	1,333,872	1,182,879	1,197,051	1,245,430	1,368,895	1,329,203
Plant operations and maintenance	3,972,164	4,180,860	3,989,204	3,690,640	3,878,332	3,902,715	4,006,103	4,179,560	4,361,806	5,247,284
Pupil transportation	2,672,346	2,262,203	2,224,397	2,128,031	2,042,307	2,197,529	2,345,489	1,794,948	2,051,809	3,271,686
Employee benefits	9,534,225	9,802,155	10,931,521	12,204,931	12,596,330	12,679,018	14,427,659	14,860,488	16,770,403	19,684,208
Charter School						52,612	19,535	20,421	56,192	11,344
Capital outlay	1,725,450	1,016,984	269,700	1,990,319	4,629,319	845,175	1,748,265	1,765,888	1,291,157	3,236,850
Debt service:										
Principal	1,301,769	1,354,515	1,330,000	1,385,000	1,720,000	1,595,000	1,655,000	1,700,000	1,765,000	1,830,000
Interest and other charges	1,291,209	1,236,234	1,181,170	1,276,516	640,690	768,094	703,794	642,794	579,694	514,094
Total expenditures	46,976,518	47,817,084	48,721,100	51,826,594	55,364,361	52,842,181	56,928,051	57,468,059	61,037,008	70,285,572
Excess (Deficiency) of revenues over (under) expenditures	(849,228)	(1,721,219)	(530,044)	(1,025,698)	(3,419,232)	670,115	153,027	3,065,970	3,369,849	768,338
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	24,609,674	4,560,000	-	-	-	-	-
Payment to escrow agent	-	-	-	(24,428,603)	-	-	-	-	-	-
Capital leases	287,800	339,982	212,512	360,886	-	78,893	391,084	-	-	-
Transfers in	495	-	-	1,039,294	-	2,491	4,080	-	-	203,651
Transfers out	(495)	-	-	(1,039,294)	-	(2,491)	(4,080)	-	-	(203,651)
Total other financing sources (uses)	287,800	339,982	212,512	541,957	4,560,000	78,893	391,084	-	-	-
Net change in fund balances	\$ (561,428)	\$ (1,381,237)	\$ (317,532)	\$ (483,741)	\$ 1,140,768	\$ 749,008	\$ 544,111	\$ 3,065,970	\$ 3,369,849	\$ 768,338
Debt service as a percentage of noncapital expenditures	5.73%	5.54%	5.18%	5.34%	4.65%	4.54%	4.27%	4.21%	3.92%	3.50%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

EXHIBIT J-5

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Transportation	Prior Year Refunds	Rentals	Other Refunds	Shared Services	Sale of Used Equipment	Miscellaneous	Total
2013	\$ 9,006.00	\$ 103,035	\$ 94,364	\$ 616,259	\$ 26,157	\$ 19,020	\$ -	\$ -	\$ 1,835	\$ 869,676
2014	6,315	104,203	14,286	44,135	10,012	18,240	15,000	-	6,375	218,566
2015	5,669	85,960	22,808	6,271	15,859	14,859	4,167	6,772	22,163	184,528
2016	4,397	119,734	-	7,430	20,338	93,338	-	2,359	798	248,394
2017	6,285	111,891	31,791	38,204	32,105	103,725	-	21,685	3,306	348,992
2018	16,642	39,298	-	45,282	55,354	48,311	-	11,061	863	216,811
2019	19,545	60,249	-	9,060	18,875	3,080	-	-	26,528	137,337
2020	38,828	110,696	18,515	18,393	21,276	215,345	-	5,911	1,509	430,473
2021	13,195	128,292	-	5,664	-	227,567	-	-	10,902	385,620
2022	10,728	243,828	-	201,373	5,723	73,232	-	1,953	80,858	617,695
	<u>\$ 106,687</u>	<u>\$ 735,066</u>	<u>\$ 181,764</u>	<u>\$ 785,034</u>	<u>\$ 199,976</u>	<u>\$ 743,485</u>	<u>\$ 19,167</u>	<u>\$ 47,788</u>	<u>\$ 63,377</u>	<u>\$ 2,654,777</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2013	\$ 8,661,300	\$ 1,078,760,400	\$ 2,079,700	\$ 176,400	\$ 170,339,392	\$ 91,643,700	\$ 54,979,400	\$ 1,406,640,292	\$ 1,793,488	\$ 1,408,433,780	\$ 92,892,800	\$ 2.042	\$ 1,595,150,639
2014	8,788,000	1,077,322,500	2,101,800	165,100	169,197,092	88,908,700	55,459,400	1,401,942,592	1,428,041	1,403,370,633	101,459,700	2.113	1,556,849,076
2015	8,788,000	1,077,316,900	2,101,800	165,100	169,007,792	86,908,700	55,459,400	1,399,747,692	100	1,399,747,792	101,847,100	2.209	1,538,686,754
2016	13,182,000	1,077,929,700	1,358,000	63,600	168,505,292	84,813,300	55,669,400	1,401,521,292	94	1,401,521,386	102,348,400	2.294	1,501,077,722
2017	13,413,500	1,078,777,900	992,100	50,300	177,038,792	81,554,500	55,699,400	1,407,526,492	94	1,407,526,586	102,106,800	2.353	1,482,302,876
2018	12,164,300	1,084,555,700	776,600	46,300	176,468,292	81,554,500	56,089,400	1,411,655,092	90	1,411,655,182	102,779,100	2.383	1,575,402,048
2019	9,678,200	1,090,558,700	776,600	46,300	177,248,692	81,054,500	56,284,400	1,415,647,392	90	1,415,647,482	104,504,300	2.422	1,600,293,008
2020	11,132,400	1,095,433,100	410,400	36,800	181,430,000	80,554,500	56,284,400	1,425,281,600	90	1,425,281,690	105,501,700	2.454	1,648,121,796
2021	13,633,200	1,096,512,300	410,400	36,500	180,196,900	80,554,500	56,284,400	1,427,628,200	87	1,427,628,287	105,544,800	2.474	1,640,349,905
2022	22,530,300	1,095,797,000	410,400	24,600	178,188,400	80,554,500	57,279,400	1,434,784,600	87	1,434,784,687	105,675,100	2.461	1,740,870,186

Source: Municipal Tax Assessor

Note:

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

EXHIBIT J-7

Fiscal Year Ended June 30,	Delran School District Direct Rate			Overlapping Rates		Municipal Open Space	Fire District	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Delran	Burlington County			
2013	\$ 1.899	\$ 0.143	\$ 2.042	\$ 0.756	\$ 0.431	\$ 0.023	\$ 0.134	\$ 3.386
2014	1.966	0.147	2.113	0.756	0.425	0.023	0.133	3.450
2015	2.062	0.147	2.209	0.765	0.455	0.023	0.155	3.607
2016	2.147	0.147	2.294	0.764	0.437	0.023	0.150	3.668
2017	2.209	0.144	2.353	0.761	0.429	0.023	0.157	3.723
2018	2.248	0.135	2.383	0.772	0.447	0.023	0.158	3.783
2019	2.287	0.135	2.422	0.791	0.451	0.022	0.161	3.847
2020	2.317	0.137	2.454	0.790	0.458	0.022	0.159	3.883
2021	2.337	0.137	2.474	0.790	0.448	0.022	0.157	3.891
2022	2.324	0.137	2.461	0.790	0.457	0.022	0.159	3.889

Source: Municipal Tax Collector

Note:

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

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

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

EXHIBIT J-8

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 41,348,300	2.88%	Berk & Berk Hunter's Glen	\$ 49,325,700	3.50%
New Jersey American Water Co.	25,421,800	1.77%	New Jersey American Water Co.	28,421,800	2.02%
Hartford Corners	24,359,800	1.70%	Whitesell Enterprises	27,843,100	1.98%
Simon & Schuster	20,900,000	1.46%	Hartford Corners	23,391,000	1.66%
Tenby Chase Investors, LLC	16,460,400	1.15%	Tenby Chase Investors, LLC	16,460,400	1.17%
GDT	10,500,000	0.73%	Simon & Shuster	14,358,700	1.02%
Target	9,598,900	0.67%	Amcors Rigid Plastics	14,326,000	1.02%
Lowe's Home Centers, Inc.	9,096,200	0.63%	Target	9,598,900	0.68%
Lowes	8,235,600	0.57%	Lowes	9,096,200	0.65%
Millside Plaza	7,729,400	0.54%	KIOP Delran	7,729,400	0.55%
Total	\$ 173,650,400	12.10%	Total	\$ 200,551,200	14.24%

Source: Municipal Tax Assessor

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

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 28,233,718	\$ 28,233,718	100.00%	-
2014	28,907,576	28,907,576	100.00%	-
2015	30,425,705	30,425,705	100.00%	-
2016	31,395,883	31,395,883	100.00%	-
2017	32,879,829	32,879,829	100.00%	-
2018	33,385,687	33,385,687	100.00%	-
2019	33,898,652	33,898,652	100.00%	-
2020	34,652,392	34,652,392	100.00%	-
2021	35,305,934	35,305,934	100.00%	-
2022	35,309,302	35,309,302	100.00%	-

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

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

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

EXHIBIT J-10

Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Financed Purchases/ Leases	EDA Loans	Total District	Percentage of Personal Income ^a	Per Capita ^b
2013	\$ 30,218,000	\$ 79,189	\$ 79,514	\$ 30,376,703	3.50%	\$ 1,806
2014	28,943,000	418,281	-	29,361,281	3.26%	1,748
2015	27,613,000	458,875	-	28,071,875	3.01%	1,681
2016	27,105,000	620,194	-	27,725,194	2.91%	1,673
2017	25,385,000	4,934,594	-	30,319,594	3.09%	1,834
2018	23,790,000	4,418,425	-	28,208,425	2.79%	1,708
2019	22,135,000	4,155,674	-	26,290,674	2.51%	1,592
2020	20,435,000	3,809,880	-	24,244,880	2.19%	1,472
2021	18,670,000	3,455,812	-	22,125,812	c	1,240
2022	16,840,000	3,648,700	-	20,488,700	c	36

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

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

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

EXHIBIT J-11

(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 30,218,000	\$ -	\$ 30,218,000	2.15%	\$ 1,797
2014	28,943,000	-	28,943,000	2.06%	1,723
2015	27,613,000	-	27,613,000	1.97%	1,654
2016	27,105,000	-	27,105,000	1.93%	1,636
2017	25,385,000	-	25,385,000	1.80%	1,536
2018	23,790,000	-	23,790,000	1.69%	1,441
2019	22,135,000	-	22,135,000	1.56%	1,340
2020	20,435,000	-	20,435,000	1.43%	1,240
2021	18,670,000	-	18,670,000	1.31%	1,047
2022	16,840,000	-	16,840,000	1.17%	c

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit J-6 for property tax data.
b Population data can be found in Exhibit J-14.
c Information not available.

**Delran Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 13,222,290	100.000%	\$ 13,222,290
Burlington County General Obligation Debt	182,924,161	3.284%	6,007,229
			<hr/>
Subtotal, overlapping debt			19,229,519
Delran Township School District Direct Debt			<hr/> 17,155,000
Total direct and overlapping debt			<hr/> \$ 36,384,519 <hr/>

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis	
	2019	\$ 1,631,306,052
	2020	1,631,877,261
	2021	1,726,482,283
	[A]	<u>\$ 4,989,665,596</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,663,221,865
Debt limit (4% of average equalized valuation)	[B]	66,528,875 ^a
Net bonded school debt	[C]	16,840,000
Legal debt margin	[B-C]	<u>\$ 49,688,875</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 67,043,440	\$ 64,058,599	\$ 62,349,753	\$ 61,096,160	\$ 59,979,326	\$ 60,385,300	\$ 61,676,451	\$ 63,822,341	\$ 64,709,908	\$ 66,528,875
Total net debt applicable to limit	<u>30,218,000</u>	<u>28,943,000</u>	<u>27,613,000</u>	<u>27,105,000</u>	<u>25,385,000</u>	<u>23,790,000</u>	<u>22,135,000</u>	<u>20,435,000</u>	<u>18,670,000</u>	<u>16,840,000</u>
Legal debt margin	<u>\$ 36,825,440</u>	<u>\$ 35,115,599</u>	<u>\$ 34,736,753</u>	<u>\$ 33,991,160</u>	<u>\$ 34,594,326</u>	<u>\$ 36,595,300</u>	<u>\$ 39,541,451</u>	<u>\$ 43,387,341</u>	<u>\$ 46,039,908</u>	<u>\$ 49,688,875</u>
Total net debt applicable to the limit as a percentage of debt limit	45.07%	45.18%	44.29%	44.36%	42.32%	39.40%	35.89%	32.02%	28.85%	25.31%

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

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

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

EXHIBIT J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	16,819	\$ 868,583,617	\$ 51,643	8.2%
2014	16,799	899,956,028	53,572	5.4%
2015	16,698	933,835,650	55,925	4.1%
2016	16,572	954,265,476	57,583	3.9%
2017	16,529	979,690,359	59,271	3.6%
2018	16,515	1,009,727,100	61,140	3.5%
2019	16,513	1,049,037,864	63,528	3.0%
2020	16,476	1,106,429,304	67,154	7.7%
2021	17,838	e	e	5.9%
2022	e	e	e	e

Source:

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

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

Exhibit J-16

<u>Function/Program</u>	Fiscal Year Ending June 30,									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	196	205	208	211	214	222	222	225	228	240
Special education	31	34	40	41	43	43	43	43	45	47
Other special education	13	13	10	10	10	9	9	13	16	13
Support Services:										
Student & instruction related services	76	80	80	76	79	81	81	81	81	83
School administrative services	17	17	20	20	20	20	20	20	20	21
General and business administrative services	4	4	4	4	4	4	4	4	4	5
Plant operations and maintenance	12	12	12	12	12	11	11	11	11	12
Pupil transportation	1	1	1	1	1	1	1	1	1	2
Business and other support services	9	9	9	8	9	9	9	8	9	9
Total	<u>359</u>	<u>375</u>	<u>384</u>	<u>383</u>	<u>392</u>	<u>400</u>	<u>400</u>	<u>406</u>	<u>415</u>	<u>432</u>

Source: District Personnel Records

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	Senior High School				
2013	2,887	\$ 42,658,090	\$ 14,776	10.04%	240	1:16	1:14	1:11	1:11	2,838	2,754	-1.90%	97.04%
2014	2,950	44,209,351	14,986	1.42%	252	1:16	1:14	1:11	1:11	2,956	2,826	4.16%	95.60%
2015	2,980	45,940,230	15,416	2.87%	258	1:16	1:14	1:11	1:11	2,979	2,840	0.78%	95.33%
2016	3,018	47,174,159	15,631	1.39%	262	1:16	1:14	1:11	1:11	3,020	2,888	1.38%	95.63%
2017	2,986	48,374,352	16,200	3.64%	267	1:16	1:14	1:11	1:11	2,982	2,841	-1.26%	95.27%
2018	2,937	49,633,912	16,900	4.32%	274	1:16	1:14	1:11	1:11	2,946	2,811	-1.21%	95.42%
2019	2,961	52,820,992	17,839	5.56%	274	1:16	1:14	1:11	1:11	2,960	2,843	0.48%	96.05%
2020	2,981	53,359,377	17,900	0.34%	281	1:16	1:14	1:11	1:11	2,984	2,897	0.81%	97.08%
2021	2,959	57,401,157	19,399	8.37%	289	1:16	1:14	1:11	1:11	2,894	2,795	-3.02%	96.58%
2022	2,858	64,704,628	22,640	16.71%	289	1:16	1:14	1:11	1:11	2,882	2,733	-0.41%	94.83%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>Elementary</u>										
Delran High School (1975)										
Square Feet	158,436	158,436	158,436	158,436	158,436	158,436	158,436	158,436	158,436	158,436
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	819	842	851	884	890	879	915	891	931	912
Delran Middle School (1960)										
Square Feet	100,851	100,851	100,851	100,851	100,851	100,851	100,851	100,851	100,851	100,851
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	691	690	691	723	714	734	692	695	704	723
Delran Intermediate School (1996)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	745	745	745	745	745	745	745	745	745	745
Enrollment	694	689	695	660	704	682	695	667	656	610
Millbridge Elementary School (1970)										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	945	945	945	945	945	945	945	945	945	945
Enrollment	634	735	741	753	674	651	658	645	603	636

Number of Schools at June 30, 2022

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

Source: District Facilities Office

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

Delran Township School District
 Schedule of Required Maintenance
 Last Ten Years

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

		Fiscal Year Ending June 30,										
	Project #	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
* School Facilities												
Delran School District												
Millbridge School	N/A	\$ 225,170	\$ 255,682	\$ 203,415	\$ 180,695	\$ 191,295	\$ 193,469	\$ 168,971	\$ 191,765	\$ 274,723	\$ 378,478	\$ 2,263,663
Intermediate School	N/A	191,395	217,330	172,902	153,591	162,601	164,449	143,625	163,000	233,514	280,519	1,882,926
Middle School	N/A	270,204	306,818	244,098	216,834	229,554	232,163	202,765	230,118	329,667	449,058	2,711,279
High School	N/A	439,081	498,580	396,658	352,356	373,026	377,264	329,494	373,940	535,710	705,465	4,381,574
Total School Facilities		<u>\$ 1,125,850</u>	<u>\$ 1,278,410</u>	<u>\$ 1,017,073</u>	<u>\$ 903,476</u>	<u>\$ 956,476</u>	<u>\$ 967,345</u>	<u>\$ 844,855</u>	<u>\$ 958,823</u>	<u>\$ 1,373,614</u>	<u>\$ 1,813,520</u>	<u>\$ 11,239,442</u>

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

Source: District records

**Delran Township School District
Insurance Schedule
June 30, 2022**

EXHIBIT J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Company		
Commercial Package:		
Building and Contents	\$ 120,664,489	\$ 1,000
School Board Legal Liability	1,000,000	5,000
Commercial Crime/Blanket Employee Dishonesty	400,000	\$250 per occurrence
Umbrella Declarations	15,000,000	10,000
Excess Markel American Insurance	10,000,000	
Allied World Assurance Co.	10,000,000	
Hudson Insurance Co.	10,000,000	
Worker's Compensation - New Jersey School Insurance Group	3,000,000	
Student Accident Insurance - US Fire Insurance Company	6,000,000	
Student Accident Base - Arch Insurance Company	500,000	
Surety Bond Coverage's - RLI Insurance Co.		
School Business Administrator	350,000	

Source: District records

Single Audit Section

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delran Township School District (the "District"), in the County of Burlington, State of New Jersey, as of and for the fiscal 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 my report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
January 30, 2023

INVERSO & STEWART, LLC
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

I have audited Delran Township School District's (the "District"), in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on 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 my 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

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

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My 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

My 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 my 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 N.J. Circular 15-08-OMB will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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, 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 N.J. Circular 15-08-OMB, I:

- 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 I 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 N.J. Circular 15-08-OMB, 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.

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My 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.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



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

Marlton, New Jersey
January 30, 2023

DELTRAN TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2021			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2022		
						Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Health & Human Services																
Passed-through State Department of Education:																
<u>General Fund:</u>																
Medical Assistance Program - (SEMI)	93.778	2005NJ5MAP	N/A	\$ 58,904	7/1/20 - 6/30/21	\$ -	\$ -	\$ -	\$ -	\$ 68,162	\$ (68,162)	\$ -	\$ -	\$ -	\$ -	
Total General Fund						-	-	-	-	68,162	(68,162)	-	-	-	-	
U.S. Department of Education																
Passed-through State Department of Education:																
<u>Special Revenue Fund:</u>																
<u>Every Student Succeeds Act (ESSA)</u>																
Title I - Current Year	84.010	S010A210030	ESSA-1060-22	274,455	7/1/21 - 9/30/22					192,982	(260,957)			(67,975)		
Title I - Prior Year	84.010	S010A200030	ESSA-1060-21	385,718	7/1/20 - 9/30/21	(56,389)				61,981	(5,592)			-		
Title IIA - Current Year	84.367A	S367A210029	ESSA-1060-22	78,524	7/1/21 - 9/30/22					62,917	(67,922)	(1,192)		(6,197)		
Title IIA - Prior Year	84.367A	S367A200029	ESSA-1060-21	71,266	7/1/20 - 9/30/21	(7,975)				6,783		1,192		-		
Title III - Current Year	84.365	S365A210030	ESSA-1060-22	70,622	7/1/21 - 9/30/22					17,787	(25,900)			(8,305)		
Title III - Prior Year	84.365	S365A200030	ESSA-1060-21	88,774	7/1/20 - 9/30/21	(13,875)				30,594	(16,911)	192		-		
Title III - Current Year - Immigrant	84.365	S365A210030	ESSA-1060-22	24,980	7/1/21 - 9/30/22					6,149	(17,619)			(11,470)		
Title III - Prior Year - Immigrant	84.365	S365A200030	ESSA-1060-21	18,592	7/1/20 - 9/30/21	(1,147)				1,149		(2)		-		
Title IV - Current Year	84.424	S424A210031	ESSA-1060-22	36,931	7/1/21 - 9/30/22					14,245	(33,704)	(2,380)		(21,839)		
Title IV - Prior Year	84.424	S424A200031	ESSA-1060-21	42,559	7/1/20 - 9/30/21	(6,039)				3,659		2,380		-		
<u>Individuals With Disabilities Act (I.D.E.A.)</u>																
Part B - Basic - Current Year	84.027A	H027A210100	IDEA-1060-22	674,467	7/1/21 - 9/30/22					12,707	(669,473)			(656,766)		
Part B - Basic - Current Year	84.027A	H027A200100	IDEA-1060-21	696,490	7/1/20 - 9/30/21	(59,167)				59,167				-		
ARP Part B - Basic - Current Year	84.027X	H027X210100	IDEA-1060-22	150,826	7/1/21 - 9/30/22						(145,944)			(145,944)		
Part B - Preschool - Current Year	84.173A	H173A210114	IDEA-1060-22	26,838	7/1/21 - 9/30/22					19,348	(24,118)			(4,770)		
ARP Part B - Preschool - Current Year	84.173X	H173X210114	IDEA-1060-22	12,847	7/1/21 - 9/30/22						(12,847)			(12,847)		
CARES Act - ESSER	84.425D	S425D200027	N/A	321,920	3/13/20 - 9/30/22	(9,009)				51,616	(45,296)			(2,689)		
Coronavirus Response and Relief Supplemental Act:																
CRRSA - Learning Acceleration	84.425D	S425D210027	N/A	65,467	3/13/20 - 9/30/23					39,999	(39,999)					
CRRSA - ESSER II	84.425D	S425D210027	N/A	1,020,145	3/13/20 - 9/30/23					536,723	(828,168)			(291,445)		
American Rescue Plan:																
ARP - ESSER III	84.425U	S425U210027	N/A	2,292,710	3/13/20 - 9/30/24						(25,077)			(25,077)		
ARP - Beyond the School Day	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24						(40,000)			(40,000)		
Perkins - Middle Grades Career Awareness	84.048	V048A210030	22E00123	68,992	9/1/21 - 6/30/22						(68,916)			(68,916)		
U.S. Department of Treasury																
Passed-through State Department of Education:																
Additional or Compensatory Special Ed. (ACSERS)	21.027	SLFRFDOE1SES	N/A	43,500	7/1/2021 - 6/30/22						(43,500)			(43,500)		
Coronavirus Relief Fund	21.019	C8220COVID19	N/A	174,197	3/13/20 - 9/30/22	489					(481)				8	
Bridging the Digital Divide	21.019	N/A	N/A	12,181	7/16/20 - 10/31/20	(51)								(51)		
Total Special Revenue Fund						(153,112)	-	-	-	1,117,806	(2,372,424)	(2)	-	(1,407,740)	8	
U.S. Department of Agriculture																
Passed-through State Department of Education:																
<u>Enterprise Fund:</u>																
Food Distribution Program	10.555	221NJ304N1099	N/A	98,584	7/1/21 - 6/30/22					98,584	(98,584)					
National School Lunch Program	10.555	221NJ304N1099	N/A	1,322,809	7/1/21 - 6/30/22					1,257,821	(1,322,809)			(64,988)		
National School Lunch Program	10.555	211NJ304N1099	N/A	430,484	7/1/20 - 6/30/21	(62,460)				62,460				-		
School Breakfast Program	10.553	221NJ304N1099	N/A	444,280	7/1/21 - 6/30/22					413,507	(444,280)			(30,773)		
School Breakfast Program	10.553	211NJ304N1099	N/A	139,594	7/1/20 - 6/30/21	(13,841)				13,841				-		
After School Snack Program	10.555	211NJ304N1099	N/A	39,815	7/1/20 - 6/30/21	(12,618)				12,618				-		
Emergency Operational Cost Program	10.555	202121H170341	N/A	659	7/1/21 - 6/30/22						(659)					
P-EBT Administrative Cost - 21	10.649	202121S900941	N/A	614	7/1/21 - 6/30/22					614	(614)					
P-EBT Administrative Cost - 22	10.649	202222S900941	N/A	628	7/1/21 - 6/30/22					628	(628)					
Total Enterprise Fund						(88,919)	-	-	-	1,860,732	(1,867,574)	-	-	(95,761)	-	
Total Federal Awards						\$ (242,031)	\$ -	\$ -	\$ -	\$ 3,046,700	\$ (4,308,160)	\$ (2)	\$ -	\$ (1,503,501)	\$ 8	

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2021			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2022		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
State Department of Education														
<u>General Fund:</u>														
Equalization Aid	22-495-034-5120-078	\$ 16,588,437	7/1/21 - 6/30/22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,017,544	\$ (16,588,437)	\$ -	\$ (1,570,893)	\$ -	\$ -
Equalization Aid	21-495-034-5120-078	12,848,468	7/1/20 - 6/30/21	(1,198,423)	-	-	-	-	1,198,423	-	-	-	-	-
Transportation Aid	22-495-034-5120-014	516,610	7/1/21 - 6/30/22	-	-	-	-	-	467,688	(516,610)	-	(48,922)	-	-
Transportation Aid	21-495-034-5120-014	516,610	7/1/20 - 6/30/21	(48,186)	-	-	-	-	48,186	-	-	-	-	-
Special Education Categorical Aid	22-495-034-5120-089	2,561,908	7/1/21 - 6/30/22	-	-	-	-	-	2,319,300	(2,561,908)	-	(242,608)	-	-
Special Education Categorical Aid	21-495-034-5120-089	2,561,908	7/1/20 - 6/30/21	(238,959)	-	-	-	-	238,959	-	-	-	-	-
Security Aid	22-495-034-5120-084	418,930	7/1/21 - 6/30/22	-	-	-	-	-	379,258	(418,930)	-	(39,672)	-	-
Security Aid	21-495-034-5120-084	418,930	7/1/20 - 6/30/21	(39,075)	-	-	-	-	39,075	-	-	-	-	-
School Security Grant - Alyssa's Law	N/A	167,493	7/1/21 - 6/30/22	-	-	-	-	-	-	(166,909)	-	(166,909)	-	-
Extraordinary Aid	22-495-034-5120-044	555,122	7/1/21 - 6/30/22	-	-	-	-	-	-	(555,122)	-	(555,122)	-	-
Extraordinary Aid	21-495-034-5120-044	1,428,053	7/1/20 - 6/30/21	(1,428,053)	-	-	-	-	1,428,053	-	-	-	-	-
Additional Nonpublic Transportation Aid	22-04103190	22,330	7/1/21 - 6/30/22	-	-	-	-	-	-	(22,330)	-	(22,330)	-	-
Additional Nonpublic Transportation Aid	21-04103190	16,530	7/1/20 - 6/30/21	(16,530)	-	-	-	-	16,530	-	-	-	-	-
On Behalf TPAF - Pension	22-495-034-5094-002	7,583,511	7/1/21 - 6/30/22	-	-	-	-	-	7,583,511	(7,583,511)	-	-	-	-
On Behalf TPAF - Post Retirement Medical	22-495-034-5094-001	1,771,815	7/1/21 - 6/30/22	-	-	-	-	-	1,771,815	(1,771,815)	-	-	-	-
On Behalf TPAF - Pension LTDI	22-495-034-5094-004	2,786	7/1/21 - 6/30/22	-	-	-	-	-	2,786	(2,786)	-	-	-	-
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	1,616,895	7/1/21 - 6/30/22	(76,217)	-	-	-	-	1,612,450	(1,616,895)	-	(80,662)	-	-
Total General Fund				(3,045,443)	-	-	-	-	32,123,578	(31,805,253)	-	(2,727,118)	-	-
<u>Special Revenue Fund</u>														
N.J. Nonpublic Aid:														
Textbook Aid	22-100-034-5120-064	17,466	7/1/21 - 6/30/22	-	-	-	-	-	17,466	(13,334)	-	-	-	4,132
Textbook Aid	21-100-034-5120-064	17,105	7/1/20 - 6/30/21	-	-	35	-	-	-	-	35	-	-	-
Nursing Aid	22-100-034-5120-070	33,152	7/1/21 - 6/30/22	-	-	-	-	-	33,152	(33,152)	-	-	-	-
Technology Initiative	22-100-034-5120-373	12,222	7/1/21 - 6/30/22	-	-	-	-	-	12,222	(12,168)	-	-	-	54
Security Aid	22-100-034-5120-509	51,800	7/1/21 - 6/30/22	-	-	-	-	-	51,800	(50,992)	-	-	-	808
Security Aid	21-100-034-5120-509	51,625	7/1/20 - 6/30/21	-	-	1,183	-	-	-	-	1,183	-	-	-
Auxiliary Services:														
Compensatory Education	22-100-034-5120-067	8,958	7/1/21 - 6/30/22	-	-	-	-	-	8,958	-	-	-	-	8,958
Compensatory Education	21-100-034-5120-067	17,418	7/1/20 - 6/30/21	-	-	12,367	-	-	-	-	12,367	-	-	-
Handicapped Services:														
Examination & Classification	22-100-034-5120-066	22,375	7/1/21 - 6/30/22	-	-	-	-	-	22,375	(18,395)	-	-	-	3,980
Examination & Classification	21-100-034-5120-066	16,174	7/1/20 - 6/30/21	-	-	7,244	-	-	-	-	7,244	-	-	-
Corrective Speech	22-100-034-5120-066	930	7/1/21 - 6/30/22	-	-	-	-	-	930	(930)	-	-	-	-
Corrective Speech	21-100-034-5120-066	1,823	7/1/20 - 6/30/21	-	-	912	-	-	-	-	912	-	-	-
Supplemental Instruction	22-100-034-5120-066	14,042	7/1/21 - 6/30/22	-	-	-	-	-	14,042	(6,535)	-	-	-	7,507
Supplemental Instruction	21-100-034-5120-066	8,580	7/1/20 - 6/30/21	-	-	81	-	-	-	-	81	-	-	-
Emergent Needs & Capital	EG-0111-D02	71,712	7/1/21 - 6/30/22	-	-	-	-	-	71,712	(71,712)	-	-	-	-
Total Special Revenue Fund				-	-	21,822	-	-	232,657	(207,218)	21,822	-	-	25,439
New Jersey School Development Authority														
<u>Capital Projects Fund</u>														
Middle School Roof Replacement	1060-007-14-1002	\$ 948,028	7/1/14 - 6/30/15	\$ (302,451)	\$ -	\$ -	\$ -	\$ 302,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Debt Service Fund</u>														
Debt Service Aid Type II	22-495-034-5120-017	378,430	7/1/21 - 6/30/22	-	-	-	-	-	378,430	(378,430)	-	-	-	-
State Department of Agriculture														
<u>Enterprise Fund:</u>														
State School Lunch Program	22-100-010-3350-023	31,116	7/1/21 - 6/30/22	-	-	-	-	-	29,620	(31,116)	-	(1,496)	-	-
State School Lunch Program	21-100-010-3350-023	25,357	7/1/20 - 6/30/21	(6,450)	-	-	-	-	6,450	-	-	-	-	-
Total Enterprise Fund				(6,450)	-	-	-	-	36,070	(31,116)	-	(1,496)	-	-
Total State Financial Assistance				\$ (3,354,344)	\$ -	\$ 21,822	\$ -	\$ 302,451	\$ 32,770,735	(32,422,017)	\$ 21,822	\$ (2,728,614)	\$ -	\$ 25,439
Less: State Financial Expenditures Not Subject to Major Program Determination														
On-Behalf TPAF Contribution - Pension (Non-Budgeted)										(7,583,511)				
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)										(1,771,815)				
On-Behalf TPAF Contribution - Pension LTDI (Non-Budgeted)										(2,786)				
Total State Financial Expenditures Subject to Major Program Determination										\$ (23,063,905)				

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

Delran Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

I. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$377,452) in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

Fund	Federal	State	Total
General	\$ 68,162	\$ 31,427,801	\$ 31,495,963
Special Revenue	2,372,424	207,218	2,579,642
Debt Service	-	378,430	378,430
Food Service	1,867,574	31,116	1,898,690
	<u>\$ 4,308,160</u>	<u>\$ 32,044,565</u>	<u>\$ 36,352,725</u>

**Delran Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

6. MAJOR PROGRAMS

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

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

2) Significant deficiencies identified? yes X none reported

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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES Act - ESSER</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA- Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - ESSER II</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Beyond the School Day</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

DELTRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>22-495-034-5120-078</u>	<u>State Aid Public Cluster: Equalization Aid</u>
<u>22-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
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**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section 2 -- Schedule of Financial Statement Findings

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

No findings identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

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

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

Finding #2021-001

Condition:

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

Current Status:

This condition has been corrected.