

**DELANCO TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

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



**DELANCO TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

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SCHOOL DISTRICT**

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Delanco Township School District



1301 Burlington Avenue, Delanco, New Jersey 08075

December 22, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Delanco Township School District for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES: Delanco Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) 14. All funds and account groups of the District are included in this report. The Delanco Township Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-k through 8 as well as special education. The District completed the 2022/2023 fiscal year with an average enrollment of 360 students, which is a 1.77% decrease over the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2013/2014	390	1.00%
2014/2015	387	(0.73%)
2015/2016	392	1.29%
2016/2017	398	1.53%
2017/2018	401	0.75%
2018/2019	401	0.00%
2019/2020	410	2.24%
2020/2021	393	(4.15%)
2021/2022	367	(6.75%)
2022/2023	360	(1.77%)

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

2. ECONOMIC CONDITION AND OUTLOOK: The Delanco Township district saw a decrease in enrollment in 2022-23. Though a decrease occurred, the district continues to see an increase in out-of-district placements impacting both transportation and tuition costs. The School District has created two new special education programs, a Pre-K program and 3-5 grade level program to bring out-of-District students back into District. The creation of special education programs may reduce the tuition and transportation expenses, which may help the district to stabilize the fund balance and future budgets. We have purchased a new 54 passenger bus in 22-23SY and hired an internal part-time driver to help with out-of district transportation routes to reduce costs.

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

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

8. DEBT ADMINISTRATION: At June 30, 2023, the School District's outstanding debt issues includes \$2,635,000 in general obligation refunding bonds and leases totaling \$114,111.

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

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

11. OTHER INFORMATION:

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

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Delanco Township School District Board of Education for their dedication in providing fiscal accountability to the citizens and taxpayers of the school district and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully Submitted,



Leonard Fitts

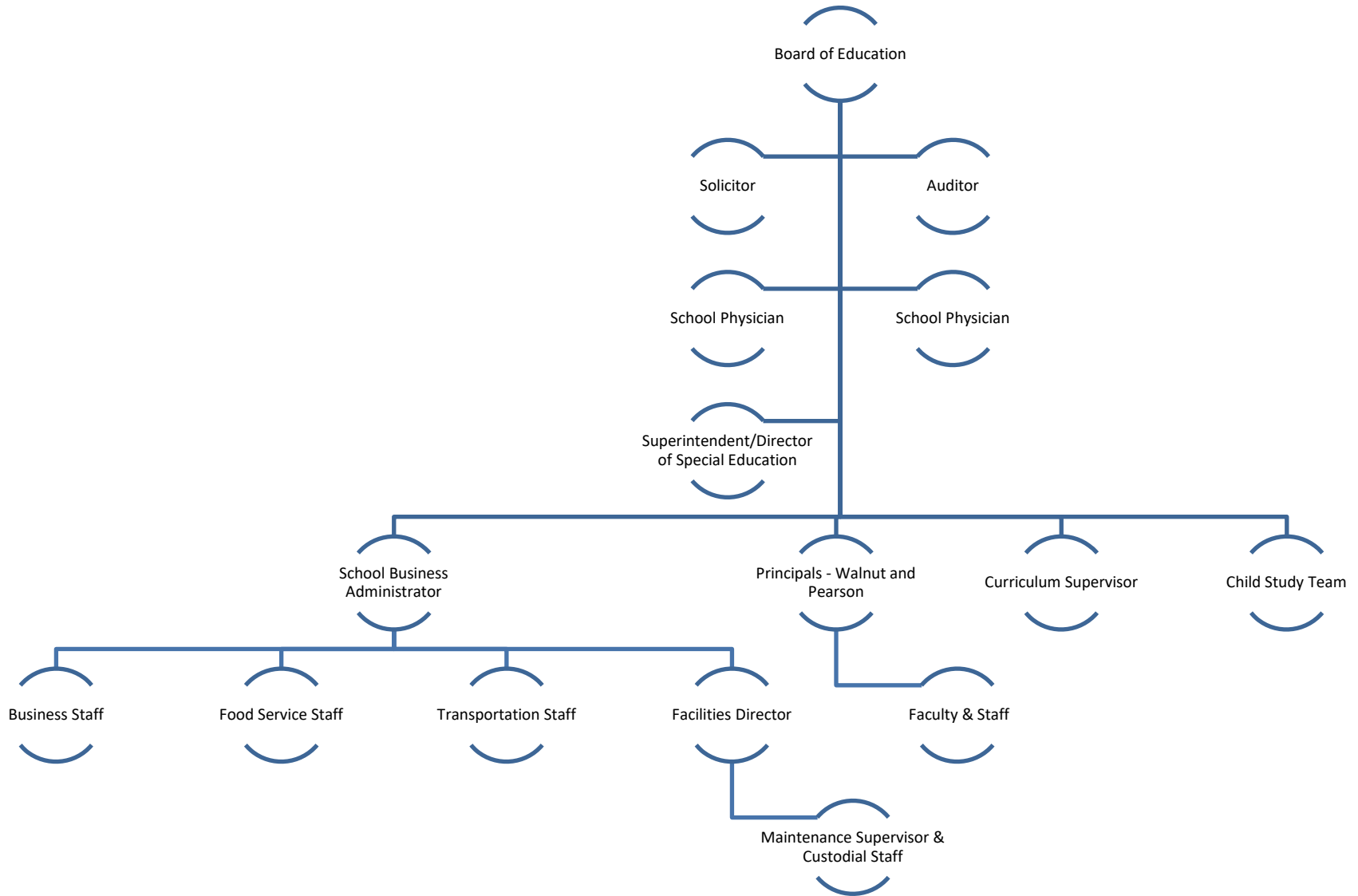
Chief School Administrator



Arlene Biesiada

School Business Administrator/Board Secretary

DELANCO TOWNSHIP BOARD OF EDUCATION
ORGANIZATIONAL CHART



DELANCO TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2023

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Eric Mossop	President	2024
Kim Gardner	Vice President	2023
Walter Bright		2023
Samuel James		2023
Robert Danser		2024
Ryan Varga		2025

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2023

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Citizens Bank
80 Hartford Road
Moorestown, NJ 08057



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delanco Township School District (the District) in the County of Burlington, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 22, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The discussion and analysis of Delanco Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$325,876 which represents a 3.13% increase from 2022.
- General revenues accounted for \$12,581,616 in revenue or 93.18% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$920,186 or 6.82% to total revenues of \$13,501,802.
- Total assets of governmental activities decreased by \$754,348 as cash and cash equivalents decreased by \$673,794, receivables and other assets increased by \$107,341 and capital assets decreased by \$187,895.
- The School District had \$13,175,926 in expenses; only \$920,186 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,581,616 were adequate to provide for these programs.
- Among major funds, the general fund had \$11,563,251 in revenues, \$11,812,674 in expenditures and \$120,728 in other financing sources. The general fund's balance decreased \$128,695 over 2022.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

other non-major funds presented in total in one column. In the case of Delanco Township School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole look at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

provide a detailed short-term view of the School District's general government operations and the basic services it provided. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for the fiscal year ended June 30, 2023 compared to June 30, 2022.

Table 1
Net Position

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 3,390,803	\$ 3,937,643	\$ (546,840)	-13.89%
Capital assets	11,956,642	12,148,040	(191,398)	-1.58%
Total assets	<u>15,347,445</u>	<u>16,085,683</u>	<u>(738,238)</u>	<u>-4.59%</u>
Deferred outflows of resources				
Deferred amount of pension liability	178,751	210,904	(32,153)	-15.25%
Deferred loss on defeasance of debt	101,334	121,600	(20,266)	-16.67%
Total deferred outflows of resources	<u>280,085</u>	<u>332,504</u>	<u>(52,419)</u>	<u>-15.76%</u>
Liabilities				
Long term liabilities	4,110,669	4,398,449	(287,780)	-6.54%
Other liabilities	409,858	852,926	(443,068)	-51.95%
Total liabilities	<u>4,520,527</u>	<u>5,251,375</u>	<u>(730,848)</u>	<u>-13.92%</u>
Deferred inflows of resources				
Deferred amount of pension liability	<u>376,748</u>	<u>762,433</u>	<u>(385,685)</u>	<u>-50.59%</u>
Net position				
Invested in capital assets, net of related debt	9,207,531	9,033,040	174,491	1.93%
Restricted	466,463	456,423	10,040	2.20%
Unrestricted	1,056,261	914,916	141,345	15.45%
Total net position	<u>\$ 10,730,255</u>	<u>\$ 10,404,379</u>	<u>\$ 325,876</u>	<u>3.13%</u>

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Total assets decreased \$738,238. Cash and cash equivalents decreased by \$664,852 receivables and other assets increased by \$118,012 and capital assets decreased by \$191,398. Unrestricted net position of the School District increased by \$141,345. These are the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023 compared to June 30, 2022.

Table 2
Changes in Net Position

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 121,733	\$ 83,837	\$ 37,896	45.20%
Operating grants & contributions	798,453	979,826	(181,373)	-18.51%
General revenues				
Property taxes	7,435,072	7,222,835	212,237	2.94%
Unrestricted grants	5,040,084	5,569,801	(529,717)	-9.51%
Other	106,460	158,445	(51,985)	-32.81%
Total revenues	<u>13,501,802</u>	<u>14,014,744</u>	<u>(512,942)</u>	<u>-3.66%</u>
Program expenses				
Instruction				
Regular	3,498,117	3,703,139	(205,022)	-5.54%
Special	850,551	956,630	(106,079)	-11.09%
Other	206,023	272,180	(66,157)	-24.31%
Support services				
Tuition	3,990,742	3,790,114	200,628	5.29%
Student & instructional staff	2,191,043	1,674,810	516,233	30.82%
General & business administration	409,812	539,786	(129,974)	-24.08%
School administration	343,566	592,409	(248,843)	-42.01%
Maintenance	623,884	585,679	38,205	6.52%
Transportation	661,260	519,409	141,851	27.31%
Food service	181,049	269,352	(88,303)	-32.78%
Child-care service	-	2,000	(2,000)	-100.00%
Transfers to charter school	100,292	96,539	3,753	3.89%
Interest on long term debt	119,587	127,654	(8,067)	-6.32%
Total expenses	<u>13,175,926</u>	<u>13,129,701</u>	<u>46,225</u>	<u>0.35%</u>
Change in net position	<u>\$ 325,876</u>	<u>\$ 885,043</u>	<u>\$ (559,167)</u>	<u>-63.18%</u>

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
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Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 55.88% of revenues for governmental activities for the Delanco Township School District for fiscal year 2023.

Instruction comprises 34.57% of district expenses. Support service expenses and interest on long-term debt make up 65.43% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal year ended June 30, 2023 compared to June 30, 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 4,554,691	\$ 4,931,949	\$ 4,368,136	\$ 4,708,216
Support services			-	
Tuition	3,990,742	3,790,114	3,854,406	3,613,247
Student & instructional staff	2,191,043	1,674,810	1,812,367	1,465,025
General & business administration	409,812	539,786	409,812	539,786
School administration	343,566	592,409	343,566	592,409
Plant operations & maintenance	623,884	585,679	592,375	367,830
Pupil transportation	661,260	519,409	661,260	519,409
Food service	181,049	269,352	(6,061)	33,923
Child care service	-	2,000	-	2,000
Transfer to charter school	100,292	96,539	100,292	96,539
Interest on long-term debt	119,587	127,654	119,587	127,654
	<u>\$ 13,175,926</u>	<u>\$ 13,129,701</u>	<u>\$ 12,255,740</u>	<u>\$ 12,066,038</u>

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

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

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

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

The dependence upon tax revenues and aid is apparent. For all activities local tax revenue support is 55.07%. The community, as a whole, is the primary support or funding source for the Delanco Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,811,771, expenditures of \$13,055,459 and other financing sources of \$120,728. The net negative change in fund balance for the year was most significant in the general fund, reflecting a decrease of \$128,695.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the School District amended its general fund budget as needed. The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenue and other financing sources were \$10,462,947, \$667,351 over original budgeted estimates of \$9,795,596. This difference was due primarily to additional miscellaneous income and extraordinary aid.

The general fund revenues and other financing sources of the School District were less than expenditures by \$104,529.

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Capital Assets

At the end of the fiscal year 2023, the School District had \$11,956,642 invested in land, construction in progress, building, furniture and equipment. Table 4 shows June 30, 2023 balances compared to June 30, 2022.

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

	06/30/23	06/30/22	Variance	
			Dollars	Percent
Land improvements	\$ 26,455	\$ 28,427	\$ (1,972)	-6.94%
Buildings & improvements	11,624,697	11,901,879	(277,182)	-2.33%
Furniture & equipment	305,490	217,734	87,756	40.30%
	<u>\$ 11,956,642</u>	<u>\$ 12,148,040</u>	<u>\$ (191,398)</u>	-1.58%

Overall capital assets decreased \$191,398 from June 30, 2022 to June 30, 2023.

Debt Administration

At June 30, 2023, the School District had \$4,110,669 in long-term liabilities. Table 5 shows June 30, 2023 balances compared to June 30, 2022.

Table 5
Long-Term Liabilities at Year End

	06/30/23	06/30/22	Variance	
			Dollars	Percent
2010 refunding bond issue	\$ 2,635,000	\$ 3,115,000	\$ (480,000)	-15.41%
Unamortized bond premium	105,193	126,231	(21,038)	-16.67%
Compensated absences liability	244,312	273,352	(29,040)	-10.62%
Leases payable	114,111	27,563	86,548	314.00%
PERS net pension liability	1,012,053	856,303	155,750	18.19%
	<u>\$ 4,110,669</u>	<u>\$ 4,398,449</u>	<u>\$ (287,780)</u>	-6.54%

DELANCO TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

For the Future

Over the past years, the increase in special education costs and out of district placements has impacted the budget. The expenses have caused the budgeted fund balance to fluctuate. In addition to costs rising, state aid received a minimal increase for the 2023-24 school year. The district has engaged in reduction-in-forces over the past years. The district created two new Multiple Disabled programs in 2023-24 and is currently seeking opportunities to create other in-district programs to reduce expenditures. It also has a continued shared service agreement with Moorestown Township School District for technology and transportation. Delanco continues the 1:1 Chromebook program to every student and has made significant investments to further upgrade technology in the classroom. Delanco has a sending-receiving relationship with Riverside Township School District for students in Grades 9-12, whereby students from Delanco Township attend Riverside Township High School. Students are also given the option to apply to the Burlington County Institute of Technology.

Contacting the School District's Financial Management

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

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DISTRICT-WIDE FINANCIAL STATEMENTS

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,307,383	\$ 48,485	\$ 2,355,868
Receivables, net	537,857	19,462	557,319
Inventory	-	12,711	12,711
Restricted assets			
Capital reserve - cash	437,914	-	437,914
Student activities - cash	26,991	-	26,991
Capital assets, net of depreciation	11,911,531	45,111	11,956,642
Total assets	<u>15,221,676</u>	<u>125,769</u>	<u>15,347,445</u>
Deferred outflows of resources			
Deferred amount on pension activity	178,751	-	178,751
Deferred loss on defeasance of debt	101,334	-	101,334
Total deferred outflows of resources	<u>280,085</u>	<u>-</u>	<u>280,085</u>
Liabilities			
Accounts payable	332,186	4,693	336,879
Accrued interest	33,143	-	33,143
Payroll deductions and withholdings payable	12,522	-	12,522
Unearned revenue	13,003	14,311	27,314
Long-term liabilities			
Due within one year	565,956	-	565,956
Due beyond one year	3,544,713	-	3,544,713
Total liabilities	<u>4,501,523</u>	<u>19,004</u>	<u>4,520,527</u>
Deferred inflows of resources			
Deferred amount on pension liability	376,748	-	376,748
Net position			
Net investment in capital assets	9,162,420	45,111	9,207,531
Restricted for			
Capital reserve	437,914	-	437,914
Student activities	25,256	-	25,256
Scholarships	1,735	-	1,735
Internal service fund	1,558	-	1,558
Unrestricted	994,607	61,654	1,056,261
Total net position	<u>\$ 10,623,490</u>	<u>\$ 106,765</u>	<u>\$ 10,730,255</u>

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 1,829,580	\$ 1,668,537	\$ 8,859	\$ 74,606	\$ -	\$ (3,414,652)	\$ -	\$ (3,414,652)
Special education	497,698	352,853	-	-	-	(850,551)	-	(850,551)
Other special education	135,479	43,540	-	103,090	-	(75,929)	-	(75,929)
Other instruction	25,253	1,751	-	-	-	(27,004)	-	(27,004)
Support services								
Tuition	3,990,742	-	-	136,336	-	(3,854,406)	-	(3,854,406)
Students & instruction related services	1,592,705	598,338	20,123	358,553	-	(1,812,367)	-	(1,812,367)
General & business administration services	313,788	96,024	-	-	-	(409,812)	-	(409,812)
School administration services	321,291	22,275	-	-	-	(343,566)	-	(343,566)
Plant operations & maintenance	552,491	71,393	31,509	-	-	(592,375)	-	(592,375)
Pupil transportation	661,260	-	-	-	-	(661,260)	-	(661,260)
Transfer to charter schools	100,292	-	-	-	-	(100,292)	-	(100,292)
Interest on long-term debt	119,587	-	-	-	-	(119,587)	-	(119,587)
Total governmental activities	10,140,166	2,854,711	60,491	672,585	-	(12,261,801)	-	(12,261,801)
Business-type activities								
Food service	181,049	-	61,242	125,868	-	-	6,061	6,061
Total business-type activities	181,049	-	61,242	125,868	-	-	6,061	6,061
Total primary government	<u>\$ 10,321,215</u>	<u>\$ 2,854,711</u>	<u>\$ 121,733</u>	<u>\$ 798,453</u>	<u>\$ -</u>	<u>(12,261,801)</u>	<u>6,061</u>	<u>(12,255,740)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						6,879,260	-	6,879,260
Property taxes levied for debt service						555,812	-	555,812
Federal and state aid not restricted						5,040,084	-	5,040,084
Investment earnings						36,087	499	36,586
Miscellaneous income						62,130	7,744	69,874
Total general revenues, special items and transfers						<u>12,573,373</u>	<u>8,243</u>	<u>12,581,616</u>
Change in net position						311,572	14,304	325,876
Net position - beginning						10,311,918	92,461	10,404,379
Net position - ending						<u>\$ 10,623,490</u>	<u>\$ 106,765</u>	<u>\$ 10,730,255</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,303,255	\$ -	\$ -	\$ -	\$ 2,303,255
Due from other funds	37,001	-	-	-	37,001
Receivables from other governments					
State	473,879	-	-	-	473,879
Federal	-	56,469	-	-	56,469
Other accounts receivable	7,509	-	-	-	7,509
Restricted cash and cash equivalents	437,914	26,991	-	-	464,905
Total assets	\$ 3,259,558	\$ 83,460	\$ -	\$ -	\$ 3,343,018
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 37,001	\$ -	\$ -	\$ 37,001
Accounts payable	323,151	9,035	-	-	332,186
Payroll deductions and withholdings payable	12,522	-	-	-	12,522
Unearned revenue	-	10,433	-	-	10,433
Total liabilities	335,673	56,469	-	-	392,142
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	688,243	-	-	-	688,243
Excess surplus - current year	618,048	-	-	-	618,048
Capital reserve	437,914	-	-	-	437,914
Student activities	-	25,256	-	-	25,256
Scholarship	-	1,735	-	-	1,735
Committed fund balance					
Encumbrances	92,227	-	-	-	92,227
Assigned fund balance					
Designated for subsequent year's expenditures	693,655	-	-	-	693,655
Unassigned fund balance	393,798	-	-	-	393,798
Total fund balances	2,923,885	26,991	-	-	2,950,876
Total liabilities and fund balances	\$ 3,259,558	\$ 83,460	\$ -	\$ -	

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$18,376,608 and the accumulated depreciation is \$6,465,077.	\$ 11,911,531
Deferred loss on defeasance of debt is a consumption of net position that is applicable to future reporting period and therefore is not reported in the funds.	101,334
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(197,997)
Internal service funds are used by the District to charge the costs of substitute calling services. The assets and liabilities of the internal service fund are included with governmental activities.	1,558
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,110,669)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(33,143)</u>
Total net position of governmental activities	<u><u>\$ 10,623,490</u></u>

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 6,879,260	\$ -	\$ -	\$ 555,812	\$ 7,435,072
Tuition					
Other LEAs within the state	8,859	-	-	-	8,859
Interest on investments	36,046	-	-	-	36,046
Miscellaneous	93,639	20,140	-	-	113,779
Total local sources	7,017,804	20,140	-	555,812	7,593,756
State sources	4,537,253	17,809	-	-	4,555,062
Federal sources	8,194	654,759	-	-	662,953
Total revenues	11,563,251	692,708	-	555,812	12,811,771
Expenditures					
Current					
Instructional					
Regular instruction	1,754,974	74,606	-	-	1,829,580
Special education instruction	497,698	-	-	-	497,698
Other special instruction	66,536	68,943	-	-	135,479
Other instruction	25,253	-	-	-	25,253
Support service & undistributed costs					
Tuition	3,854,406	136,336	-	-	3,990,742
Student & instruction related services	1,229,219	363,486	-	-	1,592,705
General & business administrative services	313,788	-	-	-	313,788
School administrative services	321,291	-	-	-	321,291
Plant operations & maintenance	552,491	-	-	-	552,491
Pupil transportation	661,260	-	-	-	661,260
Unallocated benefits	2,222,641	34,147	-	-	2,256,788

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 132,759	\$ 9,454	\$ -	\$ -	\$ 142,213
Transfer to charter schools	100,292	-	-	-	100,292
Debt service					
Principal	34,180	-	-	480,000	514,180
Interest & other charges	45,886	-	-	75,813	121,699
Total expenditures	<u>11,812,674</u>	<u>686,972</u>	<u>-</u>	<u>555,813</u>	<u>13,055,459</u>
Excess (deficit) of revenues over (under) expenditures	(249,423)	5,736	-	(1)	(243,688)
Other financing sources (uses)					
Assets acquired under lease	120,728	-	-	-	120,728
Total other financing sources (uses)	<u>120,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,728</u>
Net change in fund balance	(128,695)	5,736	-	(1)	(122,960)
Fund balances, July 1	<u>3,052,580</u>	<u>21,255</u>	<u>-</u>	<u>1</u>	<u>3,073,836</u>
Fund balances, June 30	<u>\$ 2,923,885</u>	<u>\$ 26,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,950,876</u>

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Total net changes in fund balances - governmental fund (from B-2) \$ (122,960)

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

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

Capital outlays	\$ 142,213	
Depreciation expense	<u>(330,108)</u>	(187,895)

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

Lease principal payment	34,180	
Debt principal payments	<u>480,000</u>	514,180

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

Amortization of loss on defeasance of debt	(20,266)	
Amortization of bond premium	<u>21,038</u>	772

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

197,782

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2023

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 1,340
Governmental funds report lease proceeds as financing sources whereas issuing debt increased long-term liabilities in the government-wide statements.	(120,728)
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	29,040
The activities of the internal serviced fund are not recognized in the governmental funds but are included as governmental activities in the Statement of Activities.	<div style="border-top: 1px solid black; width: 100px; margin: 0 auto;">41</div>
Change in net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px; margin: 0 auto;">\$ 311,572</div>

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2023

	Enterprise Funds			Government Activities - Internal Service Funds	
	Food Service	Child Care Program	Total	Substitute Caller	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 32,632	\$ 15,853	\$ 48,485	\$ 4,128	\$ 4,128
Receivables from other governments					
State	176	-	176	-	-
Federal	3,983	-	3,983	-	-
Other receivables	15,303	-	15,303	-	-
Inventory	12,711	-	12,711	-	-
Total current assets	<u>64,805</u>	<u>15,853</u>	<u>80,658</u>	<u>4,128</u>	<u>4,128</u>
Noncurrent assets					
Capital assets	227,173	-	227,173	-	-
Less: accumulated depreciation	182,062	-	182,062	-	-
Total noncurrent assets	<u>45,111</u>	<u>-</u>	<u>45,111</u>	<u>-</u>	<u>-</u>
Total assets	<u>109,916</u>	<u>15,853</u>	<u>125,769</u>	<u>4,128</u>	<u>4,128</u>
Liabilities					
Current liabilities					
Unearned revenues - commodities	10,157	-	10,157	-	-
Unearned revenues - prepaid sales	4,154	-	4,154	-	-
Unearned revenue - other	-	-	-	2,570	2,570
Accounts payable	4,693	-	4,693	-	-
Total liabilities	<u>19,004</u>	<u>-</u>	<u>19,004</u>	<u>2,570</u>	<u>2,570</u>
Net position					
Net investment in capital assets	45,111	-	45,111	-	-
Unrestricted	45,801	15,853	61,654	1,558	1,558
Total net position	<u>\$ 90,912</u>	<u>\$ 15,853</u>	<u>\$ 106,765</u>	<u>\$ 1,558</u>	<u>\$ 1,558</u>

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

	Enterprise Funds			Government Activities - Internal Service Funds	
	Food Service	Child Care Program	Total	Substitute Caller	Total
Operating revenues					
Charges for services					
Daily sales - reimbursable programs	\$ 32,041	\$ -	\$ 32,041	\$ -	\$ -
Daily sales - non-reimbursable programs	29,201	-	29,201	-	-
Total operating revenues	<u>61,242</u>	<u>-</u>	<u>61,242</u>	<u>-</u>	<u>-</u>
Operating expenses					
Cost of sales - reimbursable programs	12,227	-	12,227	-	-
Cost of sales - non-reimbursable programs	14,611	-	14,611	-	-
Commodity food costs	17,450	-	17,450	-	-
Salaries	87,532	-	87,532	-	-
Support services - employee benefits	13,039	-	13,039	-	-
Purchased professional/technical services	2,172	-	2,172	-	-
Purchased property services	1,403	-	1,403	-	-
Other purchased services					
Insurance	3,447	-	3,447	-	-
Management fee	16,100	-	16,100	-	-
Supplies and materials	8,724	-	8,724	-	-
Depreciation	3,503	-	3,503	-	-
Miscellaneous expenditures	841	-	841	-	-
Total operating expenses	<u>181,049</u>	<u>-</u>	<u>181,049</u>	<u>-</u>	<u>-</u>
Operating income (loss)	(119,807)	-	(119,807)	-	-
Non-operating revenues (expenses)					
State sources					
State school lunch program	3,356	-	3,356	-	-
Federal sources					
National school lunch program					
Cash assistance	61,890	-	61,890	-	-
Non-cash assistance (commodities)	17,450	-	17,450	-	-
National school breakfast program	12,165	-	12,165	-	-
Supply chain assistance	31,007	-	31,007	-	-
Other sources					
Miscellaneous	7,744	-	7,744	-	-
Interest earned on investments	344	155	499	41	41
Total non-operating revenues (expenses)	<u>133,956</u>	<u>155</u>	<u>134,111</u>	<u>41</u>	<u>41</u>
Change in net position	14,149	155	14,304	41	41
Net position, beginning	<u>76,763</u>	<u>15,698</u>	<u>92,461</u>	<u>1,517</u>	<u>1,517</u>
Net position, ending	<u>\$ 90,912</u>	<u>\$ 15,853</u>	<u>\$ 106,765</u>	<u>\$ 1,558</u>	<u>\$ 1,558</u>

See accompanying notes to the financial statements.

DELANCO TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Enterprise Funds			Government Activities - Internal Service Funds	
	Food Service	Child Care Program	Total	Substitute Caller	Total
Cash flows from operating activities					
Receipts from customers (net)	\$ 55,901	\$ -	\$ 55,901	\$ -	\$ -
Payments to Food Service Management Co.	(150,837)	-	(150,837)	-	-
Payments to vendors (net)	(15,741)	-	(15,741)	-	-
Net cash provided by (used for) operating activities	<u>(110,677)</u>	<u>-</u>	<u>(110,677)</u>	<u>-</u>	<u>-</u>
Cash flows from non-capital financing activities					
State sources	3,414	-	3,414	-	-
Federal sources	115,706	-	115,706	-	-
Net cash provided by (used for) non-capital financing activities	<u>119,120</u>	<u>-</u>	<u>119,120</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Interest on investments	344	155	499	41	41
Net cash provided by (used for) investing activities	<u>344</u>	<u>155</u>	<u>499</u>	<u>41</u>	<u>41</u>
Net increase (decrease) in cash and cash equivalents	8,787	155	8,942	41	41
Cash and cash equivalents, beginning	<u>23,845</u>	<u>15,698</u>	<u>39,543</u>	<u>4,087</u>	<u>4,087</u>
Cash and cash equivalents, ending	<u>\$ 32,632</u>	<u>\$ 15,853</u>	<u>\$ 48,485</u>	<u>\$ 4,128</u>	<u>\$ 4,128</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ (119,807)	\$ -	\$ (119,807)	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	3,503	-	3,503	-	-
Federal food donation program	17,450	-	17,450	-	-
(Increase) decrease in accounts receivable	(7,559)	-	(7,559)	-	-
Increase (decrease) in accounts payable	(6,207)	-	(6,207)	-	-
(Increase) decrease in inventory	(6,070)	-	(6,070)	-	-
Increase (decrease) in unearned revenue	8,013	-	8,013	-	-
Net cash provided by (used for) operating activities	<u>\$ (110,677)</u>	<u>\$ -</u>	<u>\$ (110,677)</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Burlington, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District also has a sending relationship with Riverside Board of Education for Grades 9-12. The District had an approximate enrollment at June 30, 2023 of 362 students.

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

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

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

Equipment	12 years
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Fiduciary fund types

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

D. Budgets/budgetary control

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2022-2023 are based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

J. Capital assets

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

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

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

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

K. Compensated absences

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

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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

N. Net position

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position (continued)

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

O. Fund balances - governmental funds

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

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

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

P. Use of estimates

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

Note 2 - Tax assessments and property taxes

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes (continued)

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

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

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2023, the District had no investments.

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

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

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

As of June 30, 2023, the District’s bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	2,617,636
Total bank balances	\$ 2,867,636

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash		\$ 2,820,773
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 2,303,255
Enterprise funds, Statement of Net Position	B-4	48,485
Internal service funds, Statement of Net Position	B-4	4,128
Restricted cash		
Governmental funds, Balance Sheet	B-1	464,905
Total cash		\$ 2,820,773

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, being depreciated or amortized				
Land improvements	\$ 146,416	\$ -	\$ -	\$ 146,416
Building & improvements	17,309,991	-	-	17,309,991
Furniture & equipment	777,988	142,213	-	920,201
Total	<u>18,234,395</u>	<u>142,213</u>	<u>-</u>	<u>18,376,608</u>
Accumulated depreciation & amortization				
Land improvements	117,989	1,972	-	119,961
Building & improvements	5,408,112	277,182	-	5,685,294
Furniture & equipment	608,868	50,954	-	659,822
Total	<u>6,134,969</u>	<u>330,108</u>	<u>-</u>	<u>6,465,077</u>
Total capital assets, being depreciated or amortized, net	<u>12,099,426</u>	<u>(187,895)</u>	<u>-</u>	<u>11,911,531</u>
Governmental activities capital assets, net	<u>\$ 12,099,426</u>	<u>\$ (187,895)</u>	<u>\$ -</u>	<u>\$ 11,911,531</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 227,173	\$ -	\$ -	\$ 227,173
Less: accumulated depreciation or amortization	<u>178,559</u>	<u>3,503</u>	<u>-</u>	<u>182,062</u>
Business type activities capital assets, net	<u>\$ 48,614</u>	<u>\$ (3,503)</u>	<u>\$ -</u>	<u>\$ 45,111</u>

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction		
Regular	\$	126,843
Special education		34,505
Other special instruction		9,393
Other instruction		1,751
Support services		
Student & instruction		110,422
General & business administration		21,755
School administration		22,275
Plant maintenance		3,164
Total depreciation expense, governmental activities	\$	330,108

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 3,115,000	\$ -	\$ 480,000	\$ 2,635,000	\$ 490,000
Unamortized bond premium	126,231	-	21,038	105,193	21,038
Compensated absences payable	273,352	-	29,040	244,312	22,956
PERS net pension liability	856,303	155,750	-	1,012,053	-
Leases payable	27,563	120,728	34,180	114,111	31,962
Total governmental activities long-term liabilities	\$ 4,398,449	\$ 276,478	\$ 564,258	\$ 4,110,669	\$ 565,956

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments are listed as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 490,000	\$ 65,806	\$ 555,806
2025	500,000	54,975	554,975
2026	520,000	41,550	561,550
2027	555,000	25,425	580,425
2028	570,000	8,550	578,550
Total	\$ 2,635,000	\$ 196,306	\$ 2,831,306

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues:

\$5,600,000 - 2013 refunding school bonds, interest at 3.00%, due in annual installments beginning August 1, 2013 to August 1, 2027. \$ 2,635,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$14,357,236. General obligation debt at June 30, 2023 is \$2,635,000 resulting in a legal debt margin of \$11,722,236.

Leases payable - The annual requirements to amortize all leases outstanding as of June 30, 2023, including interest payments are listed as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 31,962	\$ 3,608	\$ 35,570
2025	32,990	2,580	35,570
2026	24,206	1,518	25,724
2027	24,953	771	25,724
Total	<u>\$ 114,111</u>	<u>\$ 8,477</u>	<u>\$ 122,588</u>

Leases payable at June 30, 2023, with their outstanding balances are comprised of the following:

\$45,976 - 2019 technology lease, interest at 3.540%, due in annual installments beginning August 10, 2020 to August 10, 2024.	\$ 19,692
\$114,111 - 2023 bus lease, interest at 3.088%, due in annual installments beginning July 1, 2023 to July 1, 2027.	102,896
Total	<u><u>\$ 122,588</u></u>

Note 6 - Pension plans

Description of systems

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS)

Plan description

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

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

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2022 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022 measurement date.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Contributions (continued)

The District's contractually required contribution rate for the year ended June 30, 2023 was 19.69% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2022:

Net pension liability	\$	1,012,053
Proportionate share		0.0067061681%
Plan fiduciary net position as a percentage of the total pension liability		62.91%

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Collective net pension liability and actuarial information (continued)

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:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2022 measurement date are summarized in the following table:

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 1,012,053
At a 1% lower rate (6.00%)	1,311,203
At a 1% higher rate (8.00%)	773,330

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2022 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,305	\$ 6,442
Changes of assumptions	3,136	151,544
Net difference between projected and actual earnings on pension plan investments	41,888	-
Changes in proportion and differences between District contributions and proportionate share of contributions	41,854	218,762
District contributions subsequent to the measurement date	84,568	-
Total	\$ 178,751	\$ 376,748

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2023, the Plan measurement date is June 30, 2022) of \$84,568 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2022 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 13,505	\$ (6,200)	\$ 7,305
Changes of assumptions	4,460	(1,324)	3,136
Differences between expected and actual experience	-	41,888	41,888
Deferred inflows of resources			
Differences between expected and actual experience	(6,130)	(312)	(6,442)
Changes of assumptions	(304,849)	153,305	(151,544)
Difference between projected and actual earnings on pension plan investments	(225,573)	225,573	-
Net of deferred outflows	\$ (518,587)	\$ 412,930	\$ (105,657)

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

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

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

<u>Fiscal Year Ended June 30,</u>	
2023	\$ (86,812)
2024	(44,228)
2025	(21,569)
2026	47,056
2027	(104)
Total	<u>\$ (105,657)</u>

Pension expense (benefit)

For the year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$112,068), which represents the District's proportionate share of allocable plan pension revenue of (\$73,294), plus the net amortization of deferred amounts from changes in proportion of (\$40,003), and plus other adjustments to the net pension liability of \$1,229. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2022 measurement date are as follows:

Service cost	\$ 48,782
Interest on total pension liability	195,653
Benefit changes	568
Member contributions	(40,682)
Administrative expense	874
Expected investment return net of investment expense	(130,604)
Pension expense related to specific liabilities of individual employers	(701)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	2,316
Changes of assumptions	(146,252)
Difference between projected and actual investment earnings on pension plan investments	(3,248)
Pension expense (benefit)	<u>\$ (73,294)</u>

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Plan description

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Special funding situation

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

During the State fiscal year ended June 30, 2022, the State of New Jersey contributed \$965,886 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$	17,584,709
Less: State proportionate share of net pension liability		5,677,580
Net pension liability	\$	11,907,129

Proportionate share		0 .0230783295%
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Plan fiduciary net position as a percentage of the total pension liability		32.29%
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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:

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Actuarial assumptions (continued)

Inflation rate

Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 5.65%

Investment rate of return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 11,907,129
At a 1% lower rate (6.00%)	13,961,362
At a 1% higher rate (8.00%)	10,176,696

The components of allocable pension expense (benefit), which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2022 measurement date are as follows:

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

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

Pension expense (benefit)

Service cost	\$	275,357
Interest on total pension liability		1,185,945
Benefit changes		-
Member contributions		(209,063)
Administrative expense		2,912
Expected investment return net of investment expense		(456,951)
Pension expense related to specific liabilities of individual employers		(91)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		46,242
Changes of assumptions		(552,183)
Difference between projected and actual investment earnings on pension plan investments		28,286
Pension expense (benefit)	\$	320,454

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,000 in 2023) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2023 was \$8,220.

D. Other pension plan information

During the year ended June 30, 2023, the State of New Jersey contributed \$220,641 to the TPAF for postretirement medical benefits, \$11,493 for non-contributory insurance premiums, \$137 for long-term disability insurance, and \$828,410 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$184,517 during the year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan 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 fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

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).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: TPAF, PERS, PFRS, or ABP.

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability

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

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2022 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 50,646,462,966
District's proportionate share of the State's OPEB liability	14,792,809
Employer OPEB expense and related revenue	172,054
Allocable proportionate percentage	0.0292079804%

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2021	\$ 17,719,896
Service cost	634,141
Interest cost	392,026
Change of benefit terms	-
Differences between expected and actual experiences	390,906
Changes of assumptions	(3,968,304)
Member contributions	12,457
Gross benefit payments	(388,313)
Total OPEB liability at June 30, 2022	\$ 14,792,809

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 Plan measurement date to 3.54% as of the June 30, 2022 Plan measurement date.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.27% - 6.55%

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, for TPAF and PERS.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2022 was 3.54%. 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.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

The following presents the total non-employer OPEB liability as of June 30, 2022 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.54%)	\$	14,792,809
At a 1% lower rate (2.54%)		17,387,391
At a 1% higher rate (4.54%)		12,713,381

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

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

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$	14,792,809
At a 1% lower rate (1% decrease)		12,227,161
At a 1% higher rate (1% increase)		18,162,944

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$172,054 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

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

Note 8 - Deferred compensation

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

Lincoln Investment Planning

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$	11,744
Supplies		967
Total		12,711

Note 10 - Interfund receivables and payables

The special revenue fund had an interfund payable for \$37,001 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

Note 11 - Contingent liabilities

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

Note 12 - Risk management

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

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

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

Note 13 - District reserve accounts

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - District reserve accounts (continued)

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contrib.</u>	<u>Interest Earnings</u>	<u>Return Unused Withdrawal</u>	<u>Withdrawal</u>	<u>Ending Balance</u>
Capital	<u>\$ 433,650</u>	<u>\$ -</u>	<u>\$ 4,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,914</u>

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2023 is as follows:

Restricted

Excess surplus - designated for subsequent year’s expenditures. Amount appropriated in the succeeding year’s budget to reduce tax requirements.	\$ 688,243
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year’s budgets.	618,048
Capital reserve account - represents funds restricted to capital projects in the districts long range facilities plan.	437,914

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	92,227
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Assigned fund balance

Designated for subsequent year’s expenditures	693,655
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	628,715
Total fund balance - budgetary basis (Exhibit C-1)	<u>3,158,802</u>
Last state aid payments not recognized on GAAP basis	<u>(234,917)</u>
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 2,923,885</u>

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$618,048.

Note 16 - Recent accounting pronouncements not yet effective

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

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

Note 17 - Subsequent events

The District has evaluated subsequent events through December 22, 2023 which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 6,804,062	\$ -	6,804,062	\$ 6,879,260	\$ 75,198
Tuition from other LEAs within the state	-	-	-	8,859	8,859
Rents and royalties	27,300	-	27,300	31,509	4,209
Unrestricted miscellaneous revenues	6,000	-	6,000	93,912	87,912
Interest earned on capital reserve funds	500	-	500	4,264	3,764
Total	<u>6,837,862</u>	<u>-</u>	<u>6,837,862</u>	<u>7,017,804</u>	<u>179,942</u>
State sources					
Categorical Transportation Aid	48,300	-	48,300	48,300	-
Extraordinary Aid	85,884	-	85,884	408,335	322,451
Categorical Special Education Aid	341,376	-	341,376	341,376	-
Equalization Aid	2,216,821	-	2,216,821	2,216,821	-
Categorical Security Aid	25,925	-	25,925	25,925	-
Maintenance of Equity Aid	-	-	-	43,472	43,472
Other State Aid	-	-	-	12,792	12,792
Stabilization Aid	-	219,200	219,200	219,200	-
TPAF Pension (on-behalf)	-	-	-	828,410	828,410
TPAF Non-contributory insurance	-	-	-	11,493	11,493
TPAF Social Security (reimbursed)	-	-	-	184,517	184,517
TPAF Postretirement benefits	-	-	-	220,641	220,641
TPAF Long-term disability insurance	-	-	-	137	137
Total	<u>2,718,306</u>	<u>219,200</u>	<u>2,937,506</u>	<u>4,561,419</u>	<u>1,623,913</u>
Federal Sources					
Medicaid reimbursement	20,228	-	20,228	8,194	(12,034)
Total	<u>20,228</u>	<u>-</u>	<u>20,228</u>	<u>8,194</u>	<u>(12,034)</u>
Total revenues	<u>\$ 9,576,396</u>	<u>\$ 219,200</u>	<u>\$ 9,795,596</u>	<u>\$ 11,587,417</u>	<u>\$ 1,791,821</u>
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Kindergarten	\$ 212,592	\$ -	\$ 212,592	\$ 194,555	\$ 18,037
Grades 1-5	971,297	(126,671)	844,626	822,421	22,205
Grades 6-8	561,794	50,916	612,710	590,997	21,713
Home instruction					
Salaries of Teachers	15,000	19,432	34,432	30,801	3,631
Purchased professional - educational services	500	3,900	4,400	853	3,547
Regular programs - undistributed instruction					
Purchased professional - educational services	86,704	371	87,075	80,264	6,811
Other purchased services	40,400	(8,550)	31,850	21,530	10,320
General supplies	15,295	700	15,995	13,553	2,442
Total	<u>1,903,582</u>	<u>(59,902)</u>	<u>1,843,680</u>	<u>1,754,974</u>	<u>88,706</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Special education					
Multiple disabilities					
Salaries of Teachers	\$ 51,198	\$ 83	\$ 51,281	\$ 51,281	\$ -
Other salaries for instruction	38,904	(38,904)	-	-	-
Purchased professional-educational services	-	38,904	38,904	20,485	18,419
General supplies	3,000	-	3,000	-	3,000
Total	<u>93,102</u>	<u>83</u>	<u>93,185</u>	<u>71,766</u>	<u>21,419</u>
Resource room/resource center					
Salaries of Teachers	394,273	(50,923)	343,350	315,836	27,514
Other salaries for instruction	119,712	6,634	126,346	110,096	16,250
General supplies	750	-	750	-	750
Total	<u>514,735</u>	<u>(44,289)</u>	<u>470,446</u>	<u>425,932</u>	<u>44,514</u>
Home instruction					
Purchased professional-educational services	750	-	750	-	750
Total	<u>750</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>750</u>
Total special education	<u>608,587</u>	<u>(44,206)</u>	<u>564,381</u>	<u>497,698</u>	<u>66,683</u>
Basic skills/remedial					
Salaries of Teachers	39,803	-	39,803	26,509	13,294
General supplies	500	-	500	-	500
Total	<u>40,303</u>	<u>-</u>	<u>40,303</u>	<u>26,509</u>	<u>13,794</u>
Bilingual education - instruction					
Salaries of Teachers	40,100	2,416	42,516	40,027	2,489
Total	<u>40,100</u>	<u>2,416</u>	<u>42,516</u>	<u>40,027</u>	<u>2,489</u>
School-sponsored co/extracurricular activities - instruction					
Salaries	1,806	19,486	21,292	19,925	1,367
Supplies and materials	-	1,000	1,000	787	213
Other objects	250	-	250	-	250
Total	<u>2,056</u>	<u>20,486</u>	<u>22,542</u>	<u>20,712</u>	<u>1,830</u>
School-sponsored athletics - instruction					
Purchased services	-	4,200	4,200	2,995	1,205
Supplies and materials	-	2,500	2,500	1,546	954
Total	<u>-</u>	<u>6,700</u>	<u>6,700</u>	<u>4,541</u>	<u>2,159</u>
Total instruction regular	<u>\$ 2,594,628</u>	<u>\$ (74,506)</u>	<u>\$ 2,520,122</u>	<u>\$ 2,344,461</u>	<u>\$ 175,661</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - regular	\$ 1,122,136	\$ 22,287	\$ 1,144,423	\$ 1,114,264	\$ 30,159
Tuition to other LEAs within the State - special	1,292,711	99,002	1,391,713	1,299,228	92,485
Tuition to county vocational school district - regular	197,586	-	197,586	197,586	-
Tuition to county vocational school district - special	36,590	-	36,590	36,590	-
Tuition to CSSD & regional day schools	480,672	(65,117)	415,555	396,625	18,930
Tuition to priv. school for the disabled within state	821,790	(117,902)	703,888	656,419	47,469
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	-	4,048	4,048	4,048	-
Tuition - state facilities	40,270	-	40,270	40,270	-
Tuition - other	237,485	(128,109)	109,376	109,376	-
Total	<u>4,229,240</u>	<u>(185,791)</u>	<u>4,043,449</u>	<u>3,854,406</u>	<u>189,043</u>
Undistributed expenditures - attendance & social work					
Salaries	19,831	9,760	29,591	29,591	-
Total	<u>19,831</u>	<u>9,760</u>	<u>29,591</u>	<u>29,591</u>	<u>-</u>
Undistributed expenditures - health services					
Salaries	152,156	2,613	154,769	146,551	8,218
Purchased professional and technical services	9,250	-	9,250	6,900	2,350
Other purchased services	415	(204)	211	-	211
Supplies and materials	2,200	397	2,597	2,278	319
Other objects	200	(65)	135	71	64
Total	<u>164,221</u>	<u>2,741</u>	<u>166,962</u>	<u>155,800</u>	<u>11,162</u>
Undistributed expenditures - speech, OT, PT & related services					
Salaries	92,708	(26,000)	66,708	54,763	11,945
Purchased professional - educational services	4,200	4,994	9,194	6,916	2,278
Supplies and materials	500	1,082	1,582	1,581	1
Total	<u>97,408</u>	<u>(19,924)</u>	<u>77,484</u>	<u>63,260</u>	<u>14,224</u>
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	12,968	-	12,968	12,171	797
Purchased professional - educational services	382,900	244,013	626,913	537,454	89,459
Supplies and materials	2,500	(2,500)	-	-	-
Other objects	-	1,120	1,120	110	1,010
Total	<u>398,368</u>	<u>242,633</u>	<u>641,001</u>	<u>549,735</u>	<u>91,266</u>
Undistributed expenditures - guidance					
Salaries of other Professional Staff	64,498	183	64,681	61,090	3,591
Other purchased professional & technical services	-	100	100	100	-
Supplies and materials	250	(100)	150	63	87
Total	<u>64,748</u>	<u>183</u>	<u>64,931</u>	<u>61,253</u>	<u>3,678</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	\$ 42,900	\$ -	\$ 42,900	\$ 40,517	\$ 2,383
Purchased professional - educational services	206,075	(3,000)	203,075	189,429	13,646
Other purchased professional & technical services	12,000	(7,000)	5,000	3,063	1,937
Other purchased services	500	-	500	-	500
Supplies and materials	2,000	-	2,000	1,298	702
Total	263,475	(10,000)	253,475	234,307	19,168
Undistributed expenditures - improvement of inst. service					
Salaries of other Professional Staff	14,300	-	14,300	14,300	-
Salaries of Secretarial & Clerical assist	60,942	-	60,942	56,380	4,562
Other purchased professional & technical services	280	-	280	125	155
Supplies and materials	250	-	250	100	150
Other objects	925	-	925	-	925
Total	76,697	-	76,697	70,905	5,792
Undistributed expenditures - edu. media service/sch. library					
Salaries	15,420	-	15,420	15,419	1
Purchased professional and technical services	48,750	(48,750)	-	-	-
Other purchased services	-	48,750	48,750	48,750	-
Total	64,170	-	64,170	64,169	1
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	-	199	199	-	199
Other purchased services	250	50	300	199	101
Supplies and materials	250	(249)	1	-	1
Total	500	-	500	199	301
Undistributed expend. - support service - general admin.					
Salaries	68,430	64,582	133,012	98,090	34,922
Legal services	30,000	-	30,000	26,658	3,342
Audit fees	25,000	250	25,250	25,250	-
Architectural/engineering services	3,000	(1,450)	1,550	-	1,550
Other purchased professional services	14,000	(3,022)	10,978	9,779	1,199
Communications/telephone	23,220	(9,533)	13,687	12,783	904
BOE other purchased services	1,000	1,200	2,200	2,200	-
Miscellaneous purchased services	19,011	300	19,311	15,555	3,756
General supplies	1,709	(300)	1,409	1,040	369
Miscellaneous expenditures	2,448	-	2,448	2,386	62
BOE membership dues and fees	5,000	-	5,000	4,416	584
Total	192,818	52,027	244,845	198,157	46,688
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	161,523	31,088	192,611	192,611	-
Salaries of Secretarial and Clerical Assistants	44,019	-	44,019	43,469	550
Other purchased services	5,376	(3,400)	1,976	1,894	82
Supplies and materials	3,200	(950)	2,250	1,493	757
Other objects	1,630	-	1,630	1,184	446
Total	215,748	26,738	242,486	240,651	1,835

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - central services					
Salaries	\$ 81,232	\$ 14,316	\$ 95,548	\$ 95,376	\$ 172
Purchased technical services	11,494	(729)	10,765	10,765	-
Miscellaneous purchased services	3,884	2,485	6,369	6,258	111
Supplies and materials	4,500	(3,476)	1,024	748	276
Other objects	2,670	815	3,485	2,484	1,001
Total	103,780	13,411	117,191	115,631	1,560
Undistributed expenditures - admin. info. technology					
Purchased technical services	60,650	8,202	68,852	67,646	1,206
Supplies and materials	3,313	11,000	14,313	12,994	1,319
Total	63,963	19,202	83,165	80,640	2,525
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	51,250	(14,135)	37,115	32,373	4,742
General supplies	14,000	2,997	16,997	3,105	13,892
Total	65,250	(11,138)	54,112	35,478	18,634
Undistributed expenditures - custodial services					
Salaries	333,795	4,853	338,648	310,424	28,224
Cleaning, repair, and maintenance service	27,000	(19,000)	8,000	7,054	946
Other purchased property services	14,000	-	14,000	9,700	4,300
Insurance	12,766	-	12,766	12,752	14
Miscellaneous purchased services	7,000	(2,998)	4,002	1,178	2,824
General supplies	38,500	(19,815)	18,685	12,002	6,683
Energy (natural gas)	64,000	9,900	73,900	63,138	10,762
Energy (electricity)	124,024	(8,900)	115,124	97,528	17,596
Energy (gasoline)	2,000	-	2,000	-	2,000
Other objects	2,250	-	2,250	575	1,675
Total	625,335	(35,960)	589,375	514,351	75,024
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	7,000	-	7,000	1,400	5,600
General supplies	7,000	(3,700)	3,300	493	2,807
Total	14,000	(3,700)	10,300	1,893	8,407
Undistributed expenditures - security					
Purchased professional and technical services	2,000	-	2,000	-	2,000
Cleaning, repair, and maintenance service	1,925	-	1,925	769	1,156
General supplies	2,500	(1,000)	1,500	-	1,500
Total	6,425	(1,000)	5,425	769	4,656

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	\$ 27,851	\$ 4,728	\$ 32,579	\$ 31,508	\$ 1,071
Salaries for pupil trans (other than between home & school)	-	5,018	5,018	-	5,018
Other purchased professional and technical service	5,000	(550)	4,450	4,450	-
Cleaning, repair, & maint. services	3,000	984	3,984	3,885	99
Lease purchase payments - school buses	30,550	(30,136)	414	414	-
Contract serv. - aid in lieu pymts - non-public schools	61,500	(384)	61,116	57,658	3,458
Contract serv. (between home & school) - vendors	-	925	925	675	250
Contr service (oth. than between home & school) - vend	-	4,000	4,000	425	3,575
Contract serv. (between home & school) - joint agreements	53,364	79,794	133,158	133,158	-
Contract service (sp ed stds) - vendors	15,000	40,984	55,984	52,671	3,313
Contract service (sp ed stds) - joint agreements	287,925	81,242	369,167	369,167	-
Miscellaneous purchased services - transportation	2,599	(3)	2,596	2,596	-
General supplies	1,000	(262)	738	736	2
Transportation supplies	5,500	(634)	4,866	3,774	1,092
Other objects	250	(100)	150	143	7
Total	493,539	185,606	679,145	661,260	17,885
Unallocated benefits - employee benefits					
Social Security contributions	72,000	16,891	88,891	88,021	870
Other retirement contributions - PERS	85,000	-	85,000	84,568	432
Other retirement contributions - regular	10,000	(100)	9,900	8,220	1,680
Unemployment compensation	14,000	1,109	15,109	15,029	80
Workers' compensation	26,251	-	26,251	26,235	16
Health benefits	889,345	(87,106)	802,239	705,306	96,933
Tuition reimbursement	13,000	(10,353)	2,647	2,646	1
Other employee benefits	8,480	41,872	50,352	47,418	2,934
Total	1,118,076	(37,687)	1,080,389	977,443	102,946
On-behalf TPAF Pension contribution	-	-	-	828,410	(828,410)
On-behalf TPAF Non-contributory insurance	-	-	-	11,493	(11,493)
On-behalf TPAF Postretirement medical benefits	-	-	-	220,641	(220,641)
On-behalf TPAF Long-term disability insurance	-	-	-	137	(137)
Reimbursed TPAF Social Security contribution	-	-	-	184,517	(184,517)
Total	-	-	-	1,245,198	(1,245,198)
Total undistributed expenditures	\$ 8,277,592	\$ 247,101	\$ 8,524,693	\$ 9,155,096	\$ (630,403)
Total current	\$ 10,872,220	\$ 172,595	\$ 11,044,815	\$ 11,499,557	\$ (454,742)

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Capital outlay					
Equipment					
Undistributed					
Undistributed expend. - required maint. for school facilities	\$ -	\$ 11,511	\$ 11,511	\$ 11,511	\$ -
Undistributed expenditures - custodial services	520	-	520	520	-
School buses - special	-	84,512	84,512	-	84,512
Total equipment	<u>520</u>	<u>96,023</u>	<u>96,543</u>	<u>12,031</u>	<u>84,512</u>
Facilities acquisition and construction service					
Lease purchase agreements – principal	-	34,180	34,180	34,180	-
Assessment for debt service on SDA funding	45,886	-	45,886	45,886	-
Total facilities acquisition and construction service	<u>45,886</u>	<u>34,180</u>	<u>80,066</u>	<u>80,066</u>	<u>-</u>
Assets acquired under leases (non-budgeted)					
Undistributed					
School buses - regular	-	-	-	120,728	(120,728)
Total assets acquired under leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,728</u>	<u>(120,728)</u>
Total capital outlay	<u>\$ 46,406</u>	<u>\$ 130,203</u>	<u>\$ 176,609</u>	<u>\$ 212,825</u>	<u>\$ (36,216)</u>
Transfer of funds to charter schools	<u>\$ 105,053</u>	<u>\$ 2,600</u>	<u>\$ 107,653</u>	<u>\$ 100,292</u>	<u>\$ 7,361</u>
Total expenditures	<u>\$ 11,023,679</u>	<u>\$ 305,398</u>	<u>\$ 11,329,077</u>	<u>\$ 11,812,674</u>	<u>\$ (483,597)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,447,283)	\$ (86,198)	\$ (1,533,481)	\$ (225,257)	\$ 1,308,224
Other financing sources (uses)					
Leases (non-budgeted)		-	-	120,728	120,728
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,728</u>	<u>120,728</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(1,447,283)	(86,198)	(1,533,481)	(104,529)	1,428,952
Fund balances, July 1	3,263,331	-	3,263,331	3,263,331	-
Fund balances, June 30	<u>\$ 1,816,048</u>	<u>\$ (86,198)</u>	<u>\$ 1,729,850</u>	<u>\$ 3,158,802</u>	<u>\$ 1,428,952</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (5,667)	\$ -	\$ (5,667)	\$ (5,667)	\$ -
Interest deposit to capital reserve	500	-	500	4,264	3,764
Budgeted fund balance	(1,442,116)	(86,198)	(1,528,314)	(103,126)	1,425,188
Total	<u>\$ (1,447,283)</u>	<u>\$ (86,198)</u>	<u>\$ (1,533,481)</u>	<u>\$ (104,529)</u>	<u>\$ 1,428,952</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Actual	Variance Final to Actual
	Original Budget	Budget Transfers		
Recapitulation of fund balance				
Restricted fund balance				
Excess surplus - designated for subsequent year's expenditures			\$ 688,243	
Excess surplus - current year			618,048	
Capital reserve			437,914	
Committed fund balance				
Year-end encumbrances			92,227	
Assigned fund balance				
Designated for subsequent year's expenditures			693,655	
Unassigned fund balance			<u>628,715</u>	
Fund balance per budgetary basis			3,158,802	
Reconciliation to governmental statements (GAAP)				
Last state aid payments not recognized on GAAP basis			<u>(234,917)</u>	
Fund balance per governmental funds (GAAP)			<u>\$ 2,923,885</u>	

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 1,006,942	\$ -	\$ 1,006,942	\$ 654,759	\$ (352,183)
State sources	15,015	-	15,015	8,355	(6,660)
Local sources	10,000	20,140	30,140	20,140	(10,000)
Total revenues	<u>\$ 1,031,957</u>	<u>\$ 20,140</u>	<u>\$ 1,052,097</u>	<u>\$ 683,254</u>	<u>\$ (368,843)</u>
Expenditures					
Instruction					
Salaries	\$ 228,230	\$ -	\$ 228,230	\$ 136,230	\$ 92,000
Purchased professional & technical services	6,250	-	6,250	5,919	331
General supplies	30,307	(10,920)	19,387	1,400	17,987
Total	<u>264,787</u>	<u>(10,920)</u>	<u>253,867</u>	<u>143,549</u>	<u>110,318</u>
Support services					
Tuition	136,336	-	136,336	136,336	-
Salaries	206,022	(86,892)	119,130	56,116	63,014
Employee benefits	86,430	-	86,430	34,147	52,283
Purchased professional & technical services	24,355	-	24,355	9,035	15,320
Purchased property services	25,000	-	25,000	25,000	-
Other purchased services	261,043	97,812	358,855	246,795	112,060
General supplies	27,984	-	27,984	12,136	15,848
Student activities	-	14,404	14,404	14,404	-
Total	<u>767,170</u>	<u>25,324</u>	<u>792,494</u>	<u>533,969</u>	<u>258,525</u>
Total expenditures	<u>\$ 1,031,957</u>	<u>\$ 14,404</u>	<u>\$ 1,046,361</u>	<u>\$ 677,518</u>	<u>\$ 368,843</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule (Continued)
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 5,736	\$ 5,736	\$ 5,736	\$ -
Fund balances, July 1	<u>21,255</u>	<u>-</u>	<u>21,255</u>	<u>21,255</u>	<u>-</u>
Fund balances, June 30	<u>\$ 21,255</u>	<u>\$ 5,736</u>	<u>\$ 26,991</u>	<u>\$ 26,991</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 25,256	
Scholarship				<u>1,735</u>	
Fund balance per budgetary basis				<u>\$ 26,991</u>	

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 11,587,417	\$ 683,254
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	9,454
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	210,751	-
State aid receivable current year	(234,917)	-
Total revenues (GAAP basis)	\$ 11,563,251	\$ 692,708
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,812,674	\$ 677,518
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	9,454
Total expenditures (GAAP basis)	\$ 11,812,674	\$ 686,972

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2014	0.0067831124%	\$ 1,269,984	\$ 501,836	253.07%	52.08%
2015	0.0073826512%	1,657,257	547,856	302.50%	47.93%
2016	0.0076731310%	2,272,561	570,432	398.39%	40.14%
2017	0.0074914194%	1,743,883	552,252	315.78%	48.10%
2018	0.0091497046%	1,801,531	673,600	267.45%	53.60%
2019	0.0078343348%	1,411,628	581,192	242.88%	56.27%
2020	0.0075590322%	1,232,680	566,524	217.59%	58.32%
2021	0.0072283176%	856,303	506,244	169.15%	70.33%
2022	0.0067061681%	1,012,053	429,838	236.99%	62.91%
2023	N/A	N/A	427,045	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	N/A	N/A	N/A	N/A	N/A
2015	\$ 55,919	\$ (55,919)	\$ -	\$ 547,856	10.21%
2016	63,471	(63,471)	-	570,432	11.13%
2017	68,167	(68,167)	-	552,252	12.34%
2018	69,400	(69,400)	-	673,600	10.30%
2019	91,010	(91,010)	-	581,192	15.66%
2020	76,205	(76,205)	-	566,524	13.45%
2021	82,692	(82,692)	-	506,244	16.33%
2022	84,652	(84,652)	-	429,838	19.69%
2023	84,568	(84,568)	-	427,045	19.80%

N/A = Information not available

See independent auditors' report.

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

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	0.00%	\$ -	\$ 13,649,163	\$ 13,649,163	\$ 2,918,284	0.00%	33.64%
2015	0.00%	-	15,689,637	15,689,637	2,798,824	0.00%	28.71%
2016	0.00%	-	18,183,235	18,183,235	2,979,072	0.00%	22.33%
2017	0.00%	-	15,864,010	15,864,010	2,996,808	0.00%	25.41%
2018	0.00%	-	15,981,162	15,981,162	3,043,596	0.00%	26.49%
2019	0.00%	-	15,091,529	15,091,529	3,232,236	0.00%	26.95%
2020	0.00%	-	16,728,496	16,728,496	3,211,652	0.00%	24.60%
2021	0.00%	-	12,182,293	12,182,293	2,577,957	0.00%	35.52%
2022	0.00%	-	11,907,129	11,907,129	2,664,725	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	2,419,489	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 168,677	\$ (168,677)	\$ -	\$ 2,918,284	5.78%
2015	108,482	(108,482)	-	2,798,824	3.88%
2016	133,409	(133,409)	-	2,979,072	4.48%
2017	184,083	(184,083)	-	2,996,808	6.14%
2018	264,208	(264,208)	-	3,043,596	8.68%
2019	379,736	(379,736)	-	3,232,236	11.75%
2020	494,431	(494,431)	-	3,211,652	15.39%
2021	575,671	(575,671)	-	2,577,957	22.33%
2022	742,594	(742,594)	-	2,664,725	27.87%
2023	965,886	(965,886)	-	2,419,489	39.92%

N/A = Information not available

See independent auditors' report.

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

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

	Proportionate share of other postemployment employee benefits liability (asset)				Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion					
	Percentage	Value						
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2017	0.00%	\$ -	\$ 16,584,411	\$ 16,584,411	\$ 3,549,060	0.00%	0.00%	
2018	0.00%	-	14,190,332	14,190,332	3,717,196	0.00%	0.00%	
2019	0.00%	-	12,602,642	12,602,642	3,813,428	0.00%	0.00%	
2020	0.00%	-	19,941,926	19,941,926	3,778,176	0.00%	0.00%	
2021	0.00%	-	17,719,896	17,719,896	3,084,201	0.00%	0.00%	
2022	0.00%	-	14,792,809	14,792,809	3,094,563	0.00%	0.00%	
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

N/A = Information not available

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2023

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	ESSA Title IA SIA	ESSA Title IA	ESSA Title II	ESSA Title IV	Total
Revenues						
Federal sources	\$ 532,091	\$ 41,800	\$ 68,871	\$ 2,164	\$ 9,833	\$ 654,759
State sources	8,355	-	-	-	-	8,355
Local sources	20,140	-	-	-	-	20,140
Total revenues	\$ 560,586	\$ 41,800	\$ 68,871	\$ 2,164	\$ 9,833	\$ 683,254
Expenditures						
Instruction						
Salaries	\$ 67,287	\$ 28,338	\$ 40,605	\$ -	\$ -	\$ 136,230
Purchased professional and technical services	5,919	-	-	-	-	5,919
General supplies	1,400	-	-	-	-	1,400
Total	74,606	28,338	40,605	-	-	143,549
Support services						
Tuition	136,336	-	-	-	-	136,336
Salaries	38,564	-	7,581	138	9,833	56,116
Employee benefits	-	13,462	20,685	-	-	34,147
Purchased professional and technical services	9,035	-	-	-	-	9,035
Purchased property services	25,000	-	-	-	-	25,000
Other purchased services	246,587	-	-	208	-	246,795
General supplies	10,318	-	-	1,818	-	12,136
Student activities	14,404	-	-	-	-	14,404
Total	480,244	13,462	28,266	2,164	9,833	533,969
Total expenditures	\$ 554,850	\$ 41,800	\$ 68,871	\$ 2,164	\$ 9,833	\$ 677,518
Excess (deficiency) of revenues over (under) expenditures	\$ 5,736	\$ -	\$ -	\$ -	\$ -	\$ 5,736
Fund balances, July 1	21,255	-	-	-	-	21,255
Fund balances, June 30	\$ 26,991	\$ -	\$ -	\$ -	\$ -	\$ 26,991

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	CRRSA ESSER II	CRRSA Learning Acceleration	IDEA Basic	IDEA Preschool	Total Carried Forward
Revenues						
Federal sources	\$ 380,034	\$ 374	\$ 15,347	\$ 132,449	\$ 3,887	\$ 532,091
State sources	8,355	-	-	-	-	8,355
Local sources	20,140	-	-	-	-	20,140
Total revenues	\$ 408,529	\$ 374	\$ 15,347	\$ 132,449	\$ 3,887	\$ 560,586
Expenditures						
Instruction						
Salaries	\$ 59,259	\$ -	\$ 8,028	\$ -	\$ -	\$ 67,287
Purchased professional and technical services	-	-	5,919	-	-	5,919
General supplies	-	-	1,400	-	-	1,400
Total	59,259	-	15,347	-	-	74,606
Support services						
Tuition	-	-	-	132,449	3,887	136,336
Salaries	38,564	-	-	-	-	38,564
Employee benefits	-	-	-	-	-	-
Purchased professional and technical services	9,035	-	-	-	-	9,035
Purchased property services	25,000	-	-	-	-	25,000
Other purchased services	246,587	-	-	-	-	246,587
General supplies	9,944	374	-	-	-	10,318
Student activities	14,404	-	-	-	-	14,404
Total	343,534	374	-	132,449	3,887	480,244
Total expenditures	\$ 402,793	\$ 374	\$ 15,347	\$ 132,449	\$ 3,887	\$ 554,850
Excess (deficiency) of revenues over (under) expenditures	\$ 5,736	\$ -	\$ -	\$ -	\$ -	\$ 5,736
Fund balances, July 1	21,255	-	-	-	-	21,255
Fund balances, June 30	\$ 26,991	\$ -	\$ -	\$ -	\$ -	\$ 26,991

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	CRRSA Mental Health	ARP ESSER	ARP Accelerated Learning	ARP Beyond the School Day	Total Carried Forward
Revenues						
Federal sources	\$ 34,547	\$ 4,017	\$ 339,327	\$ 680	\$ 1,463	\$ 380,034
State sources	8,355	-	-	-	-	8,355
Local sources	20,140	-	-	-	-	20,140
Total revenues	\$ 63,042	\$ 4,017	\$ 339,327	\$ 680	\$ 1,463	\$ 408,529
Expenditures						
Instruction						
Salaries	\$ -	\$ -	\$ 57,796	\$ -	\$ 1,463	\$ 59,259
Purchased professional and technical services	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Total	-	-	57,796	-	1,463	59,259
Support services						
Tuition	-	-	-	-	-	-
Salaries	34,547	4,017	-	-	-	38,564
Employee benefits	-	-	-	-	-	-
Purchased professional and technical services	8,355	-	-	680	-	9,035
Purchased property services	-	-	25,000	-	-	25,000
Other purchased services	-	-	246,587	-	-	246,587
General supplies	-	-	9,944	-	-	9,944
Student activities	14,404	-	-	-	-	14,404
Total	57,306	4,017	281,531	680	-	343,534
Total expenditures	\$ 57,306	\$ 4,017	\$ 339,327	\$ 680	\$ 1,463	\$ 402,793
Excess (deficiency) of revenues over (under) expenditures	\$ 5,736	\$ -	\$ -	\$ -	\$ -	\$ 5,736
Fund balances, July 1	21,255	-	-	-	-	21,255
Fund balances, June 30	\$ 26,991	\$ -	\$ -	\$ -	\$ -	\$ 26,991

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues
and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2023

	ARP NJTSS Mental Health	SDA Emergent and Capital Maintenance Needs	Scholarship Fund	Student Activities	Total Carried Forward
Revenues					
Federal sources	\$ 34,547	\$ -	\$ -	\$ -	\$ 34,547
State sources	-	8,355	-	-	8,355
Local sources	-	-	17	20,123	20,140
Total revenues	\$ 34,547	\$ 8,355	\$ 17	\$ 20,123	\$ 63,042
Expenditures					
Instruction					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-
General supplies	-	-	-	-	-
Total	-	-	-	-	-
Support services					
Tuition	-	-	-	-	-
Salaries	34,547	-	-	-	34,547
Employee benefits	-	-	-	-	-
Purchased professional and technical services	-	8,355	-	-	8,355
Purchased property services	-	-	-	-	-
Other purchased services	-	-	-	-	-
General supplies	-	-	-	-	-
Student activities	-	-	-	14,404	14,404
Total	34,547	8,355	-	14,404	57,306
Total expenditures	\$ 34,547	\$ 8,355	\$ -	\$ 14,404	\$ 57,306
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 17	\$ 5,719	\$ 5,736
Fund balances, July 1	-	-	1,718	19,537	21,255
Fund balances, June 30	\$ -	\$ -	\$ 1,735	\$ 25,256	\$ 26,991

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/22	Issued	Retired	Balance 06/30/23
			Date	Amount					
Refunding school bonds of 2013	04/23/13	\$ 5,600,000	08/01/23	\$ 490,000	2.125%	\$ 3,115,000	\$ -	\$ 480,000	\$ 2,635,000
			08/01/24	500,000	2.250%	-	-	-	-
			08/01/25	520,000	3.000%	-	-	-	-
			08/01/26	555,000	3.000%	-	-	-	-
			08/01/27	570,000	3.000%	-	-	-	-
						<u>\$ 3,115,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 2,635,000</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2023

Description	Date of Lease	Amount of Original Issue	Balance 07/01/22	Issued	Retired	Balance 06/30/23
Computer equipment	08/10/20	\$ 45,976	\$ 27,563	\$ -	\$ 8,870	\$ 18,693
School Bus	07/01/22	120,728	-	120,728	25,310	95,418
		<u>\$ 166,704</u>	<u>\$ 27,563</u>	<u>\$ 120,728</u>	<u>\$ 34,180</u>	<u>\$ 114,111</u>

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 555,812	\$ -	\$ 555,812	\$ 555,812	\$ -
Total revenues	<u>555,812</u>	<u>-</u>	<u>555,812</u>	<u>555,812</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	480,000	-	480,000	480,000	-
Interest	75,813	-	75,813	75,813	-
Total expenditures	<u>555,813</u>	<u>-</u>	<u>555,813</u>	<u>555,813</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	-	(1)	(1)	-
Fund balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

DELANCO TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 8,256,506	\$ 8,204,663	\$ 8,185,833	\$ 8,236,747	\$ 8,338,841	\$ 8,432,941	\$ 8,619,499	\$ 8,762,047	\$ 8,984,426	\$ 9,162,420
Restricted	2,762,452	3,201,873	3,314,780	3,254,626	2,888,694	2,757,599	1,984,571	2,278,461	456,423	466,463
Unrestricted	(326,488)	(1,625,810)	(1,609,294)	(1,725,853)	(1,816,456)	(1,867,424)	(1,729,213)	(1,649,392)	871,069	994,607
Total governmental activities	<u>\$ 10,692,470</u>	<u>\$ 9,780,726</u>	<u>\$ 9,891,319</u>	<u>\$ 9,765,520</u>	<u>\$ 9,411,079</u>	<u>\$ 9,323,116</u>	<u>\$ 8,874,857</u>	<u>\$ 9,391,116</u>	<u>\$ 10,311,918</u>	<u>\$ 10,623,490</u>
Business-type activities										
Net investment in capital assets	\$ 82,143	\$ 71,774	\$ 61,520	\$ 51,267	\$ 41,014	\$ 31,908	\$ 21,800	\$ 11,691	\$ 48,614	\$ 45,111
Unrestricted	26,785	38,562	33,956	27,679	30,177	52,002	59,518	118,359	43,847	61,654
Total business-type activities	<u>\$ 108,928</u>	<u>\$ 110,336</u>	<u>\$ 95,476</u>	<u>\$ 78,946</u>	<u>\$ 71,191</u>	<u>\$ 83,910</u>	<u>\$ 81,318</u>	<u>\$ 130,050</u>	<u>\$ 92,461</u>	<u>\$ 106,765</u>
District-wide										
Net investment in capital assets	\$ 8,338,649	\$ 8,276,437	\$ 8,247,353	\$ 8,288,014	\$ 8,379,855	\$ 8,464,849	\$ 8,641,299	\$ 8,773,738	\$ 9,033,040	\$ 9,207,531
Restricted	2,762,452	3,201,873	3,314,780	3,254,626	2,888,694	2,757,599	1,984,571	2,278,461	456,423	466,463
Unrestricted	(299,703)	(1,587,248)	(1,575,338)	(1,698,174)	(1,786,279)	(1,815,422)	(1,669,695)	(1,531,033)	914,916	1,056,261
Total district-wide	<u>\$ 10,801,398</u>	<u>\$ 9,891,062</u>	<u>\$ 9,986,795</u>	<u>\$ 9,844,466</u>	<u>\$ 9,482,270</u>	<u>\$ 9,407,026</u>	<u>\$ 8,956,175</u>	<u>\$ 9,521,166</u>	<u>\$ 10,404,379</u>	<u>\$ 10,730,255</u>

*

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,196,667	\$ 2,126,655	\$ 2,239,306	\$ 2,259,097	\$ 2,200,970	\$ 2,116,845	\$ 2,121,140	\$ 2,041,953	\$ 3,703,139	\$ 3,498,117
Special education	529,679	556,873	582,599	632,307	625,550	488,333	628,202	764,586	956,630	850,551
Other special education	55,889	56,759	57,698	78,816	85,174	147,442	96,978	64,611	265,750	179,019
Other instruction	29,904	33,145	33,820	42,374	38,809	38,683	41,840	-	6,430	27,004
Support services										
Tuition	2,272,329	2,142,259	2,088,965	2,140,904	2,462,622	2,626,817	3,029,119	3,134,693	3,790,114	3,990,742
Student & instruction related services	829,637	923,883	954,058	919,486	1,082,871	1,006,171	965,595	889,513	1,674,810	2,191,043
General & business administrative services	335,957	373,403	369,876	389,428	391,959	377,853	411,712	434,809	539,786	409,812
School administration	139,119	184,766	184,327	192,471	231,003	249,668	275,165	265,867	592,409	343,566
Plant operations & maintenance	573,507	557,603	654,692	575,884	620,275	631,685	637,187	556,460	585,679	623,884
Pupil transportation	161,467	205,793	232,962	257,069	370,770	368,678	435,610	411,211	519,409	661,260
Unallocated benefits	1,416,680	2,169,768	2,578,536	3,183,443	3,560,537	3,056,423	2,590,481	3,117,257	-	-
Transfer to charter schools	-	-	-	-	-	-	-	60,757	96,539	100,292
Interest on long-term debt	202,714	215,376	206,159	199,183	186,465	174,802	162,552	150,428	127,654	119,587
Total governmental activities expenses	8,743,549	9,546,283	10,182,998	10,870,462	11,857,005	11,283,400	11,395,581	11,892,145	12,858,349	12,994,877
Business-type activities										
Food services	170,831	164,519	167,313	173,357	168,652	177,281	147,166	129,097	269,352	181,049
Child care	110,170	107,559	109,993	105,959	98,752	101,080	103,215	2,386	2,000	-
Total business-type activities	281,001	272,078	277,306	279,316	267,404	278,361	250,381	131,483	271,352	181,049
Total district expenses	\$ 9,024,550	\$ 9,818,361	\$ 10,460,304	\$ 11,149,778	\$ 12,124,409	\$ 11,561,761	\$ 11,645,962	\$ 12,023,628	\$ 13,129,701	\$ 13,175,926

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services	\$ 22,178	\$ 13,299	\$ 64,349	\$ 8,751	\$ 58,133	\$ 74,670	\$ 58,559	\$ 88,215	\$ 83,245	\$ 60,491
Capital grants & contributions	-	-	-	-	-	-	-	15,351	-	-
Operating grants & contributions	739,877	1,383,833	1,612,477	2,017,787	2,460,535	1,914,193	1,487,739	2,436,763	744,989	672,585
Total governmental activities	<u>762,055</u>	<u>1,397,132</u>	<u>1,676,826</u>	<u>2,026,538</u>	<u>2,518,668</u>	<u>1,988,863</u>	<u>1,546,298</u>	<u>2,540,329</u>	<u>828,234</u>	<u>733,076</u>
Business-type activities										
Charges for services										
Food service	68,269	63,933	69,748	68,509	68,721	72,869	48,766	2,945	592	61,242
Child care	109,840	119,356	97,921	89,832	94,692	123,759	93,431	-	-	-
Operating grants & contributions	85,982	90,105	94,516	104,041	94,691	92,738	104,634	177,183	234,837	125,868
Total business - type activities	<u>264,091</u>	<u>273,394</u>	<u>262,185</u>	<u>262,382</u>	<u>258,104</u>	<u>289,366</u>	<u>246,831</u>	<u>180,128</u>	<u>235,429</u>	<u>187,110</u>
Total district-wide program revenues	<u>\$ 1,026,146</u>	<u>\$ 1,670,526</u>	<u>\$ 1,939,011</u>	<u>\$ 2,288,920</u>	<u>\$ 2,776,772</u>	<u>\$ 2,278,229</u>	<u>\$ 1,793,129</u>	<u>\$ 2,720,457</u>	<u>\$ 1,063,663</u>	<u>\$ 920,186</u>
Net (expense) revenues										
Governmental activities	\$ (7,981,494)	\$ (8,149,151)	\$ (8,506,172)	\$ (8,843,924)	\$ (9,338,337)	\$ (9,294,537)	\$ (9,849,283)	\$ (9,351,816)	\$ (12,030,115)	\$ (12,261,801)
Business - type activities	(16,910)	1,316	(15,121)	(16,934)	(9,300)	11,005	(3,550)	48,645	(35,923)	6,061
Total district-wide net expenses	<u>\$ (7,998,404)</u>	<u>\$ (8,147,835)</u>	<u>\$ (8,521,293)</u>	<u>\$ (8,860,858)</u>	<u>\$ (9,347,637)</u>	<u>\$ (9,283,532)</u>	<u>\$ (9,852,833)</u>	<u>\$ (9,303,171)</u>	<u>\$ (12,066,038)</u>	<u>\$ (12,255,740)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 5,487,550	\$ 5,597,301	\$ 5,560,840	\$ 5,672,057	\$ 5,785,498	\$ 5,959,063	\$ 6,139,827	\$ 6,481,214	\$ 6,675,848	\$ 6,879,260
Taxes levied for debt service	436,592	383,339	419,800	425,255	521,017	524,563	532,563	544,887	546,987	555,812
Unrestricted grants & contributions	2,466,668	2,537,911	2,550,213	2,530,284	2,563,901	2,607,616	2,625,346	2,789,447	5,569,801	5,040,084
Investment earnings	3,053	3,410	6,104	-	37,849	49,571	37,187	2,884	2,095	36,087
Miscellaneous income	97,107	76,250	79,808	90,530	75,631	65,761	66,102	22,757	156,186	62,130
Transfer out	(5,563)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>8,485,407</u>	<u>8,598,211</u>	<u>8,616,765</u>	<u>8,718,126</u>	<u>8,983,896</u>	<u>9,206,574</u>	<u>9,401,025</u>	<u>9,841,189</u>	<u>12,950,917</u>	<u>12,573,373</u>
Business-type activities										
Investment earnings	70	93	263	404	1,545	1,714	958	88	48	499
Miscellaneous income	-	-	-	-	-	-	-	-	116	7,744
Transfer in	5,563	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>5,633</u>	<u>93</u>	<u>263</u>	<u>404</u>	<u>1,545</u>	<u>1,714</u>	<u>958</u>	<u>88</u>	<u>164</u>	<u>8,243</u>
Total district-wide	<u>\$ 8,491,040</u>	<u>\$ 8,598,304</u>	<u>\$ 8,617,028</u>	<u>\$ 8,718,530</u>	<u>\$ 8,985,441</u>	<u>\$ 9,208,288</u>	<u>\$ 9,401,983</u>	<u>\$ 9,841,277</u>	<u>\$ 12,951,081</u>	<u>\$ 12,581,616</u>
Change in net position										
Governmental activities	\$ 503,913	\$ 449,060	\$ 110,593	\$ (125,798)	\$ (354,441)	\$ (87,963)	\$ (448,258)	\$ 489,373	\$ 920,802	\$ 311,572
Business-type activities	(11,277)	1,409	(14,858)	(16,530)	(7,755)	12,719	(2,592)	48,733	(35,759)	14,304
Total district	<u>\$ 492,636</u>	<u>\$ 450,469</u>	<u>\$ 95,735</u>	<u>\$ (142,328)</u>	<u>\$ (362,196)</u>	<u>\$ (75,244)</u>	<u>\$ (450,850)</u>	<u>\$ 538,106</u>	<u>\$ 885,043</u>	<u>\$ 325,876</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 2,682,674	\$ 3,164,900	\$ 3,309,226	\$ 3,254,605	\$ 2,888,693	\$ 2,757,597	\$ 1,984,569	\$ 2,257,794	\$ 2,564,009	\$ 1,744,205
Committed	-	-	-	-	-	-	-	-	5,667	92,227
Assigned	58,835	31,438	39,007	96,520	40,975	88,358	212,903	49,893	-	693,655
Unassigned	34,245	75,851	110,787	84,117	120,501	123,169	124,758	341,555	482,904	393,798
Total general fund	<u>\$ 2,775,754</u>	<u>\$ 3,272,189</u>	<u>\$ 3,459,020</u>	<u>\$ 3,435,242</u>	<u>\$ 3,050,169</u>	<u>\$ 2,969,124</u>	<u>\$ 2,322,230</u>	<u>\$ 2,649,242</u>	<u>\$ 3,052,580</u>	<u>\$ 2,923,885</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,665	\$ 21,255	\$ 26,991
Debt service fund	25,825	5,534	5,554	22	1	2	2	2	1	-
Total all other governmental funds	<u>\$ 25,825</u>	<u>\$ 5,534</u>	<u>\$ 5,554</u>	<u>\$ 22</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 20,667</u>	<u>\$ 21,256</u>	<u>\$ 26,991</u>
							*			

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 5,924,142	\$ 5,980,640	\$ 5,980,640	\$ 6,097,312	\$ 6,306,515	\$ 6,483,626	\$ 6,672,390	\$ 7,026,101	\$ 7,222,835	\$ 7,435,072
Tuition charges	-	-	-	-	-	-	-	-	23,684	8,859
Interest earnings	-	-	-	-	-	-	-	-	2,091	36,046
Miscellaneous	114,296	84,060	141,160	90,491	161,347	181,061	151,924	103,552	205,314	113,779
State sources	2,929,595	3,064,860	3,145,849	3,209,257	3,387,254	3,521,794	3,595,656	3,962,076	4,554,259	4,555,062
Federal sources	276,951	256,637	243,909	237,251	263,343	252,615	248,810	426,602	744,988	662,953
Total revenues	9,244,984	9,386,197	9,511,558	9,634,311	10,118,459	10,439,096	10,668,780	11,518,331	12,753,171	12,811,771
Expenditures										
Instruction										
Regular instruction	1,831,308	1,850,057	1,943,896	1,961,283	1,909,726	1,824,839	1,839,985	1,748,105	1,856,842	1,829,580
Special education instruction	529,679	556,873	582,599	632,307	625,550	488,333	628,202	764,586	526,727	497,698
Other special instruction	55,889	56,759	57,698	78,816	85,174	147,442	96,978	64,611	121,961	135,479
Other instruction	29,904	33,145	33,820	42,374	38,809	38,683	41,840	60,757	4,986	25,253
Support services										
Tuition	2,272,329	2,142,259	2,088,965	2,140,904	2,462,622	2,626,816	3,029,119	3,134,693	3,790,114	3,990,742
Student & inst related services	829,637	923,883	954,058	919,486	1,082,872	1,006,171	965,595	889,513	1,215,854	1,592,705
General administration	153,928	156,357	163,461	191,189	213,676	205,521	231,433	249,482	229,835	198,157
School administration services	158,158	169,959	179,168	205,564	220,738	240,727	265,242	254,567	270,494	240,651
Central services	141,697	124,088	124,697	128,505	120,314	119,251	121,072	125,021	119,899	115,631
Administrative information technology	40,332	92,958	81,718	69,734	57,969	52,086	58,212	59,430	64,059	80,640
Plant operations & maintenance	567,403	545,406	641,524	559,676	598,459	609,086	616,451	541,195	554,709	552,491
Pupil transportation	148,887	193,213	224,240	249,632	363,333	361,243	428,173	403,775	516,568	661,260
Employee benefits	953,753	1,047,229	1,152,842	1,239,903	1,290,156	1,288,952	1,358,505	1,113,207	947,589	1,011,590
On-behalf TPAF Pension & Social Security contribution	462,927	522,949	587,636	670,973	820,414	914,178	970,310	1,172,629	1,399,573	1,245,198
Transfer to charter schools	-	-	-	-	-	-	-	-	96,539	100,292
Capital outlay	97,597	85,754	42,699	96,603	46,818	26,361	86,108	61,327	32,054	142,213
Debt service										
Principal	265,000	235,000	255,000	275,000	375,000	390,000	410,000	444,846	463,567	514,180
Interest & other charges	145,769	174,163	210,686	201,674	191,923	180,449	168,449	155,774	137,874	121,699
Total expenditures	8,684,197	8,910,052	9,324,707	9,663,623	10,503,553	10,520,138	11,315,674	11,243,518	12,349,244	13,055,459

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ 560,787	\$ 476,145	\$ 186,851	\$ (29,312)	\$ (385,094)	\$ (81,042)	\$ (646,894)	\$ 274,813	\$ 403,927	\$ (243,688)
Other financing sources (uses)										
Assets acquired by lease	-	-	-	-	-	-	-	45,976	-	120,728
Transfers out	(5,563)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(5,563)	-	-	-	-	-	-	45,976	-	120,728
Net change in fund balances	<u>\$ 555,224</u>	<u>\$ 476,145</u>	<u>\$ 186,851</u>	<u>\$ (29,312)</u>	<u>\$ (385,094)</u>	<u>\$ (81,042)</u>	<u>\$ (646,894)</u>	<u>\$ 320,789</u>	<u>\$ 403,927</u>	<u>\$ (122,960)</u>
Debt service as a percentage of non-capital expenditures	5.02%	4.86%	5.28%	5.24%	5.73%	5.75%	5.43%	5.68%	5.13%	5.18%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 3,053	\$ 3,410	\$ 6,104	\$ 14,861	\$ 37,849	\$ 49,571	\$ 37,187	\$ 2,878	\$ 2,091	\$ 36,046
Miscellaneous Facility Use	-	6,662	6,452	7,523	5,594	-	8,330	160	20,000	24,000
Rental of Library	8,282	-	-	-	7,385	7,751	7,729	7,583	7,528	7,509
Refund of Prior Year Expenditures	31,540	799	314	-	6,143	-	-	10,260	75,721	31,235
E-Rate	-	-	-	-	-	-	-	-	57,885	6,345
Tuition	14,142	-	-	-	-	-	-	-	23,684	8,859
JIF Safety Award	1,000	1,000	10,000	4,500	2,000	3,500	-	3,500	3,000	11,000
Sale of Assets	-	3,020	592	-	-	-	-	-	1,675	-
Ex Care Facility Use	53,000	53,000	53,000	53,000	50,000	53,000	50,000	-	-	-
Other	3,166	1,909	511	332	1,417	1,375	-	1,254	25,816	13,550
Annual totals	\$ 114,183	\$ 69,800	\$ 76,973	\$ 80,216	\$ 110,388	\$ 115,197	\$ 103,246	\$ 25,635	\$ 217,400	\$ 138,544

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 4,083,600	\$ 4,381,800	\$ 4,214,200	\$ 3,818,200	\$ 3,133,600	\$ 3,016,500	\$ 4,821,700	\$ 4,265,000	\$ 4,164,400	\$ 3,896,500
Residential	334,111,100	334,027,600	335,916,900	338,704,300	338,334,700	340,331,700	339,975,400	344,236,300	356,034,700	368,673,400
Farmland	1,047,000	1,047,300	900,300	900,300	899,600	899,600	899,000	899,000	885,100	612,200
Commercial	19,578,400	19,578,400	19,469,200	19,558,000	19,819,900	19,819,900	20,089,100	19,889,100	20,305,600	20,052,200
Industrial	31,463,700	31,231,800	31,794,100	31,794,100	32,278,000	32,278,000	33,590,100	33,590,100	33,590,100	33,370,900
Apartment	1,399,100	1,374,400	1,374,400	979,900	979,900	979,900	979,900	979,900	979,900	979,900
Total assessed value	391,682,900	391,641,300	393,669,100	395,754,800	395,445,700	397,325,600	400,355,200	403,859,400	415,959,800	427,585,100
Public utilities (a)	353,600	94	94	95	95	96	93	91	86	79
Net valuation taxable	\$ 392,036,500	\$ 391,641,394	\$ 393,669,194	\$ 395,754,895	\$ 395,445,795	\$ 397,325,696	\$ 400,355,293	\$ 403,859,491	\$ 415,959,886	\$ 427,585,179
Estimated actual county equalized value	\$ 410,321,048	\$ 417,839,959	\$ 417,863,390	\$ 417,551,055	\$ 417,553,302	\$ 415,569,179	\$ 428,875,415	\$ 441,472,981	\$ 485,197,580	\$ 541,727,073
Percentage of net valuation to estimated actual equalized value	95.54%	93.73%	94.21%	94.78%	94.71%	95.61%	93.35%	91.48%	85.73%	78.93%
Total direct school tax rate (b)	\$ 1.525	\$ 1.527	\$ 1.549	\$ 1.593	\$ 1.640	\$ 1.679	\$ 1.755	\$ 1.788	\$ 1.769	\$ 1.814

Source: Municipal Tax Assessor

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

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

* Revaluation

See independent auditors' report.

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Municipality	County	Fire District	
2014	\$ 1.415	\$ 0.110	\$ 1.525	\$ 0.937	\$ 0.398	\$ 0.083	\$ 2.943
2015	* 1.427	0.100	1.527	0.961	0.448	0.083	3.019
2016	1.439	0.110	1.549	1.000	0.438	0.083	3.070
2017	1.483	0.110	1.593	1.041	0.436	0.093	3.163
2018	1.500	0.140	1.640	1.053	0.428	0.103	3.224
2019	1.539	0.140	1.679	1.076	0.423	0.112	3.290
2020	1.615	0.140	1.755	1.080	0.429	0.120	3.384
2021	1.648	0.140	1.788	1.096	0.434	0.119	3.437
2022	1.639	0.130	1.769	1.118	0.445	0.116	3.448
2023	1.674	0.140	1.814	1.146	0.456	0.113	3.529

Sources: Municipal Tax Collector

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

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation

(b) Rates for debt service are based on each year's requirements.

* Revaluation

See independent auditors' report.

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

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
2700 Burlington LLC	\$ 6,763,500	1	1.58%	\$ -		0.00%
800 Coopertown Road LLC	5,995,400	2	1.40%	-		0.00%
600 Creek Rd LLC	5,778,700	3	1.35%	-		0.00%
FRG X NJI1 LP	3,572,200	4	0.84%	-		0.00%
Delanco Partnership Group LLC	2,747,600	5	0.64%	-		0.00%
Metropolis Delanco LLC	2,480,000	6	0.58%	-		0.00%
Fedex Freight Inc	2,469,500	7	0.58%	2,469,500	5	0.63%
Delanco Realty	2,140,500	8	0.50%	2,140,500	7	0.55%
Boise Cascade Building Materials	2,100,000	9	0.49%	1,837,500	8	0.47%
Delanco 10 Holdings LLC	1,550,000	10	0.36%	-		0.00%
EREG Delanco 800 LLC	-		0.00%	5,995,400	1	1.53%
EREG Delanco 2700 LLC	-		0.00%	5,451,400	2	1.39%
First Industrial LP	-		0.00%	5,216,000	3	1.33%
John Bruce Investment Company LLC	-		0.00%	3,684,400	4	0.94%
Costume Gallery Inc	-		0.00%	2,225,300	6	0.57%
Colson Development LLC	-		0.00%	1,510,100	9	0.39%
Delanco Savings & Loan	-		0.00%	1,444,200	10	0.37%
	<u>\$ 35,597,400</u>		<u>8.32%</u>	<u>\$ 31,974,300</u>		<u>8.17%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2014	\$ 5,924,142	\$ 5,924,142	100.00%
2015	5,980,640	5,980,640	100.00%
2016	5,980,640	5,980,640	100.00%
2017	6,097,312	6,097,312	100.00%
2018	6,306,515	6,306,515	100.00%
2019	6,483,626	6,483,626	100.00%
2020	6,672,390	6,672,390	100.00%
2021	7,026,101	7,026,101	100.00%
2022	7,222,835	7,222,835	100.00%
2023	7,435,072	7,435,072	100.00%

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2014	\$ 5,945,000	\$ -	\$ -	\$ -	\$ -	\$ 5,945,000	2.54%	\$ 1,312
2015	5,710,000	-	-	-	-	5,710,000	2.36%	1,262
2016	5,455,000	-	-	-	-	5,455,000	2.17%	1,212
2017	5,180,000	-	-	-	-	5,180,000	2.01%	1,159
2018	4,805,000	-	-	-	-	4,805,000	1.82%	1,079
2019	4,415,000	-	-	-	-	4,415,000	1.63%	994
2020	4,005,000	-	-	-	-	4,005,000	1.42%	903
2021	3,570,000	-	36,130	-	-	3,606,130	1.21%	815
2022	3,115,000	-	27,563	-	-	3,142,563	0.94%	653
2023	2,635,000	-	114,111	-	-	2,749,111	N/A	568

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2014	\$ 5,945,000	\$ -	\$ 5,945,000	1.52%	\$ 1,312
2015	5,710,000	-	5,710,000	1.46%	1,262
2016	5,455,000	-	5,455,000	1.39%	1,212
2017	5,180,000	-	5,180,000	1.31%	1,159
2018	4,805,000	-	4,805,000	1.22%	1,079
2019	4,415,000	-	4,415,000	1.11%	994
2020	4,005,000	-	4,005,000	1.00%	903
2021	3,570,000	-	3,570,000	0.88%	807
2022	3,115,000	-	3,115,000	0.75%	647
2023	2,635,000	-	2,635,000	0.62%	544

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

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

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 2,682,653	100.00%	\$ 2,682,653
County general obligation debt	161,356,421	0.91%	<u>1,462,195</u>
Subtotal, overlapping debt			4,144,848
School District direct debt			<u>2,635,000</u>
Total direct and overlapping debt			<u><u>\$ 6,779,848</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
	2022 \$ 526,998,353
	2021 471,082,935
	2020 437,642,326
	\$ 1,435,723,614
Average equalized valuation of taxable property	\$ 478,574,538
Debt limit (3.0% of average equalization value) (a)	\$ 14,357,236
Total net debt applicable to limit	2,635,000
Legal debt margin	\$ 11,722,236

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 12,468,128	\$ 12,570,924	\$ 12,768,752	\$ 13,343,553	\$ 14,357,236
Total net debt applicable	4,415,000	4,005,000	3,570,000	3,115,000	2,635,000
Legal debt margin	\$ 8,053,128	\$ 8,565,924	\$ 9,198,752	\$ 10,228,553	\$ 11,722,236
Total net debt applicable to the limit as a percentage of debt limit	35.41%	31.86%	27.96%	23.34%	18.35%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 13,035,390	\$ 12,601,883	\$ 12,484,474	\$ 12,489,456	\$ 12,489,209
Total net debt applicable	5,945,000	5,710,000	5,455,000	5,180,000	4,805,000
Legal debt margin	\$ 7,090,390	\$ 6,891,883	\$ 7,029,474	\$ 7,309,456	\$ 7,684,209
Total net debt applicable to the limit as a percentage of debt limit	45.61%	45.31%	43.69%	41.47%	38.47%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey
Department of Treasury, Division of Taxation.

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

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	4,530	\$ 233,942,790	\$ 51,643	8.0%
2015	4,524	242,359,728	53,572	6.5%
2016	4,499	251,606,575	55,925	4.2%
2017	4,468	257,280,844	57,583	4.1%
2018	4,453	263,933,763	59,271	3.6%
2019	4,441	271,522,740	61,140	3.1%
2020	4,436	281,810,208	63,528	8.5%
2021	4,426	297,223,604	67,154	5.9%
2022	4,811	334,345,256	69,496	3.5%
2023	4,843	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 census. published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

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

2023

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

2014

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

See independent auditors' report.

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	26.0	27.0	28.0	29.0	25.0	22.0	21.0	19.0	20.0	22.0
Special education	13.0	12.0	14.0	14.0	15.0	11.0	10.0	8.0	12.0	12.0
Support Services										
Student and Instruction										
Related Services	7.0	7.0	8.0	8.0	8.0	8.0	7.0	13.0	8.0	7.0
General Administrative Services	2.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.0	2.0
School Administrative Services	2.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0	4.0	4.0
Business Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.0
Plant Operations and Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Pupil Transportation	1.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0
Total	<u>58.0</u>	<u>57.0</u>	<u>61.0</u>	<u>62.0</u>	<u>61.0</u>	<u>53.0</u>	<u>50.0</u>	<u>54.0</u>	<u>53.0</u>	<u>54.0</u>

Source: District Personnel Records

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>June 30 Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	391	\$ 8,175,831	\$ 20,910	-5.06%	34.0	1 to 11.50	390.0	374.0	1.04%	95.90%
2015	387	8,415,135	21,745	3.99%	36.0	1 to 10.75	387.0	368.0	-0.77%	95.09%
2016	392	8,816,322	22,491	3.43%	34.0	1 to 11.53	392.0	374.0	1.29%	95.41%
2017	398	9,090,346	22,840	1.55%	35.0	1 to 11.37	398.0	380.0	1.53%	95.48%
2018	401	9,889,812	24,663	7.98%	40.0	1 to 10.03	401.0	382.0	0.75%	95.26%
2019	401	9,923,328	24,746	0.34%	33.0	1 to 12.15	401.0	382.0	0.00%	95.26%
2020	410	10,651,117	25,978	4.98%	32.0	1 to 12.81	410.0	387.0	2.24%	94.39%
2021	390	10,581,571	27,132	4.44%	30.0	1 to 13.00	393.0	369.0	-4.15%	93.89%
2022	371	11,715,749	31,579	16.39%	37.0	1 to 10.03	366.5	339.3	-6.75%	92.58%
2023	362	12,277,367	33,915	7.40%	32.0	1 to 11.31	360.0	338.4	-1.77%	93.99%

Source: District Records

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

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Elementary (1961)</u>										
Square feet	54,212	54,212	54,212	54,212	54,212	54,212	54,212	54,212	54,212	54,212
Capacity (students)	432	432	432	432	432	432	432	432	432	432
Enrollment	285	275	266	262	256	272	263	241	226	230
<u>Middle School (1925)</u>										
Square feet	29,475	29,475	29,475	29,475	29,475	29,475	29,475	29,475	29,475	29,475
Capacity (students)	207	207	207	207	207	207	207	207	207	207
Enrollment	102	116	121	130	142	129	128	149	145	132
<u>Number of schools at June 30, 2023:</u>										
Elementary	1									
Middle School	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed expenditures - Required maintenance for school facilities

<u>Fiscal Year Ending</u>	<u>Pearson Elementary School</u>	<u>Walnut Street Middle School</u>	<u>Total</u>
2014	\$ 31,959	\$ 16,144	\$ 48,103
2015	23,324	8,946	32,270
2016	85,104	30,304	115,408
2017	27,997	7,226	35,223
2018	13,370	13,727	27,097
2019	41,246	14,462	55,708
2020	53,948	19,763	73,711
2021	39,598	7,566	47,164
2022	46,691	9,340	56,031
2023	32,239	3,239	35,478
Total school facilities	<u>\$ 395,476</u>	<u>\$ 130,717</u>	<u>\$ 526,193</u>

Source: District Records

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

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

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

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2023
(Unaudited)

	Coverage	Deductible
Burlington County Insurance Pool Joint Insurance Fund (continued)		
Cyber Liability		
Limit of Liability	\$ 2,000,000	\$50,000 - 100,000
BCIP JIF Self Insured Retention	None	-
Crisis Protection and Disaster Management Services		
Limit of Liability	1,000,000	10,000
BCIP JIF Self Insured Retention	None	-
Selective Insurance Company of America		
Public Official Bond - School Business Administrator/Board Secretary	200,000	-
Public Official Bond - Treasurer/Reconciler of Accounts	200,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

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



Certified Public Accountants, PC
www.bkc-cpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delanco Township School District (the District) in the County of Burlington, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2023

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

Delanco Township School District’s Response to Findings

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

Purpose of this Report

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



BKC, CPAs, PC



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

December 22, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Delanco Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 to be a significant deficiency.

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

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

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



BKC, CPAs, PC



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

December 22, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

DELANCO TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/22	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Health and Human Services																	
General Fund																	
Medical Assistance Program	93.778	2205NJ5MAP	N/A	\$ 8,194	07/01/22	06/30/23	\$ -	\$ -	\$ 8,194	\$ 8,194	\$ -	\$ -	\$ -	\$ -	\$ -		
Total General Fund							-	-	8,194	8,194	-	-	-	-	-		
U.S. Department of Education passed through State Department of Education																	
Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027A	H027A210100	IDEA-1030-22	134,487	07/01/21	06/30/22	(17,015)	-	17,015	-	-	-	-	-	-		
IDEA Basic	84.027A	H027A220100	IDEA-1030-23	132,449	07/01/22	06/30/23	-	-	132,449	132,449	-	-	-	-	-		
IDEA Preschool	84.173A	H173S210114	IDEA-1030-22	3,554	07/01/21	06/30/22	(1,985)	-	1,985	-	-	-	-	-	-		
IDEA Preschool	84.173A	H173S220114	IDEA-1030-23	3,887	07/01/22	06/30/23	-	-	3,887	3,887	-	-	-	-	-		
Total special education cluster (IDEA)							(19,000)	-	155,336	136,336	-	-	-	-	-		
Title I A	84.010	S010A210030	ESSA-1030-22	74,099	07/01/21	06/30/22	(9,202)	-	9,202	-	-	-	-	-	-		
Title I A	84.010	S010A220030	ESSA-1030-23	77,458	07/01/22	06/30/23	-	-	43,914	68,871	-	-	(24,957)	-	-		
Title IA SIA	84.010	S010A220030	ESSA-1030-23	41,800	07/01/22	06/30/23	-	-	40,345	41,800	-	-	(1,455)	-	-		
Title IIA	84.367A	S367A210029	ESSA-1030-22	10,454	07/01/21	06/30/22	(2,054)	-	2,054	-	-	-	-	-	-		
Title IIA	84.367A	S367A220029	ESSA-1030-23	12,672	07/01/22	06/30/23	-	-	2,163	2,164	-	-	(1)	-	-		
Title IV	84.424A	S424A220031	ESSA-1030-23	12,919	07/01/22	06/30/23	-	-	-	9,833	-	-	(9,833)	-	-		
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-1030-23	285,335	03/13/20	09/30/23	-	-	374	374	-	-	-	-	-		
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-1030-23	25,000	03/13/20	09/30/23	(712)	-	16,492	15,347	-	-	-	433	-		
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-1030-23	45,000	03/13/20	09/30/23	(5,260)	-	7,929	4,017	-	-	(1,348)	-	-		
ARP - ESSER																	
ARP - ESSER	84.425U	S425U210027	ESSER-1030-24	641,316	03/13/20	09/30/24	(48,750)	-	378,015	339,327	-	-	(10,062)	-	-		
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-1030-24	51,644	03/13/20	09/30/24	-	-	-	680	-	-	(680)	-	-		
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	ESSER-1030-24	40,000	03/13/20	09/30/24	-	-	-	1,463	-	-	(1,463)	-	-		
NJTSS Mental Health	84.425U	S425U210027	ESSER-1030-24	88,501	03/13/20	09/30/24	-	-	27,877	34,547	-	-	(6,670)	-	-		
Total Special Revenue Fund							(84,978)	-	683,701	654,759	-	-	(56,469)	433	-		
U.S. Department of Agriculture passed through State Department of Agriculture																	
Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	22,773	10/01/21	09/30/22	4,363	-	-	4,363	-	-	-	-	-		
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	23,244	10/01/22	09/30/23	-	-	23,244	13,087	-	-	-	10,157	-		
Cash Assistance	10.555	221NJ304N1099	N/A	162,519	10/01/21	09/30/22	(10,156)	-	10,156	-	-	-	-	-	-		
Cash Assistance	10.555	231NJ304N1199	N/A	61,890	10/01/22	09/30/23	-	-	58,739	61,890	-	-	(3,151)	-	-		
National School Breakfast Program	10.553	221NJ304N1099	N/A	49,462	10/01/21	09/30/22	(4,471)	-	4,471	-	-	-	-	-	-		
National School Breakfast Program	10.553	231NJ304N1199	N/A	12,165	10/01/22	09/30/23	-	-	11,333	12,165	-	-	(832)	-	-		
Total Child Nutrition Cluster							(10,264)	-	107,943	91,505	-	-	(3,983)	10,157	-		
Supply Chain Assistance	10.555	231NJ304N1199	N/A	31,007	07/01/22	06/30/23	-	-	31,007	31,007	-	-	-	-	-		
Total Enterprise Fund							(10,264)	-	138,950	122,512	-	-	(3,983)	10,157	-		
Total Federal Awards							\$ (95,242)	\$ -	\$ 822,651	\$ 785,465	\$ -	\$ -	\$ (60,452)	\$ 10,590	\$ -		

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments/Repayments	Balance June 30, 2023			Memo		
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
State Department of Education															
General Fund															
Special Education Categorical Aid	23-495-034-5120-089	\$ 341,376	07/01/22	06/30/23	\$ -	\$ -	\$ 310,912	\$ 341,376	\$ -	\$ -	\$ -	\$ -	\$ 30,464	\$ 341,376	
Equalization Aid	23-495-034-5120-078	2,216,821	07/01/22	06/30/23	-	-	2,018,992	2,216,821	-	-	-	-	197,829	2,216,821	
Security Aid	23-495-034-5120-084	25,925	07/01/22	06/30/23	-	-	23,611	25,925	-	-	-	-	2,314	25,925	
Transportation Aid	23-495-034-5120-014	48,300	07/01/22	06/30/23	-	-	43,990	48,300	-	-	-	-	4,310	48,300	
Stabilization Aid	22-495-034-5120-128	219,200	07/01/22	06/30/23	-	-	219,200	219,200	-	-	-	-	-	219,200	
Maintenance of Equity Aid	23-495-034-5120-128	43,472	07/01/22	06/30/23	-	-	-	43,472	-	-	(43,472)	-	-	43,472	
Extraordinary Aid	22-495-034-5120-044	316,851	07/01/21	06/30/22	(316,851)	-	316,851	-	-	-	-	-	-	316,851	
Extraordinary Aid	23-495-034-5120-044	408,335	07/01/22	06/30/23	-	-	-	408,335	-	-	(408,335)	-	-	408,335	
Non-Public Transportation Aid	22-495-034-5120-014	11,020	07/01/21	06/30/22	(11,020)	-	11,020	-	-	-	-	-	-	11,020	
Non-Public Transportation Aid	23-495-034-5120-014	12,792	07/01/22	06/30/23	-	-	-	12,792	-	-	(12,792)	-	-	12,792	
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	828,410	07/01/22	06/30/23	-	-	828,410	828,410	-	-	-	-	-	828,410	
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	11,493	07/01/22	06/30/23	-	-	11,493	11,493	-	-	-	-	-	11,493	
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001	220,641	07/01/22	06/30/23	-	-	220,641	220,641	-	-	-	-	-	220,641	
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004	137	07/01/22	06/30/23	-	-	137	137	-	-	-	-	-	137	
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	210,792	07/01/21	06/30/22	(10,139)	-	10,139	-	-	-	-	-	-	210,792	
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	184,517	07/01/22	06/30/23	-	-	175,237	184,517	-	-	(9,280)	-	-	184,517	
Total General Fund					(338,010)	-	4,190,633	4,561,419	-	-	(473,879)	-	-	234,917	5,100,082
State Department of Education															
Special Revenue Fund															
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	8,355	07/01/22	06/30/23	-	-	8,355	8,355	-	-	-	-	-	8,355	
School Climate	23-WB01-G02	6,660	07/01/22	06/30/23	-	-	-	-	-	-	-	-	-	-	
Total Special Revenue Fund					-	-	8,355	8,355	-	-	-	-	-	8,355	
State Department of Agriculture															
Enterprise Fund															
State School Lunch Program	22-100-010-3350-023	3,818	07/01/21	06/30/22	(234)	-	234	-	-	-	-	-	-	3,818	
State School Lunch Program	23-100-010-3350-023	2,928	07/01/22	06/30/23	-	-	2,779	2,928	-	-	(149)	-	-	2,928	
State School Breakfast Program	23-100-010-3350-023	428	07/01/22	06/30/23	-	-	401	428	-	-	(27)	-	-	428	
Total Enterprise Fund					(234)	-	3,414	3,356	-	-	(176)	-	-	7,174	
Total State Financial Assistance					\$ (338,244)	\$ -	\$ 4,202,402	4,573,130	\$ -	\$ (474,055)	\$ -	\$ -	\$ 234,917	\$ 5,115,611	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002							828,410							
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							11,493							
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							220,641							
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004							137							
Total for State Financial Assistance - Major Program Determination								\$ 3,512,449							

See independent auditors' report.

DELANCO TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$24,166) for the general fund and \$9,454 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

DELANCO TOWNSHIP TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 3 - Relationship of financial statements (continued)

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

	Federal	State	Total
General fund	\$ 8,194	\$ 4,537,253	\$ 4,545,447
Special revenue fund	654,759	17,809	672,568
Food service fund	122,512	3,356	125,868
Total awards and financial assistance	<u>\$ 785,465</u>	<u>\$ 4,558,418</u>	<u>\$ 5,343,883</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2023.

Note 6 - Indirect costs

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

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

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

Noncompliance material to basic financial statements noted?

 X Yes No

Federal Awards

Unmodified

Internal Control Over Major Programs:

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

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

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

 Yes X No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425</u>	<u>S425U210027</u>	<u>ARP - ESSER</u>
<u>84.425</u>	<u>S425U210027</u>	<u>ARP Learning Acceleration</u>
<u>84.425</u>	<u>S425U210027</u>	<u>ARP Summer Learning</u>
<u>84.425</u>	<u>S425U210027</u>	<u>ARP Beyond the School Day</u>
<u>84.425</u>	<u>S425U210027</u>	<u>ARP Mental Health</u>

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

\$750,000

Did the auditee qualify as a low-risk auditee?

 Yes X No

DELANCO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

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

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

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>23-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-078</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-084</i>	<i>Equalization Aid</i>
<i>23-495-034-5120-128</i>	<i>Security Aid</i>
	<i>Stabilization Aid</i>

DELANCO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - 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 Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2023-001 (2022-001)

Criteria

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

Condition

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

Context

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

Cause

Unknown.

Recommendation

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

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

DELANCO TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

Federal Awards

There were no findings or questioned costs for the fiscal year end June 30, 2023.

State Awards

Finding 2023-001 (2022-001)

Criteria

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

Condition

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

Context

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

Cause

Unknown.

Effect

Receiving signatures certifying goods or services were received by the District were at times not evident on payment forms.

Recommendation

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

Views of Responsible Officials and Planned Corrective Action (unaudited)

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

**DELANCO TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2023**

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all findings with the exception of 2022-001.