

**DELAWARE TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2023**

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



Certified Public Accountants, PC

**DELAWARE TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2023**

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

*Scott Lipson*  
*Chief School Administrator*

*Susan Joyce*  
*Business Administrator/Board Secretary*

November 22, 2023

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

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

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

**1) REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services appropriate to grade levels Pre-K through eight. This includes regular, as well as special education for special need students. The District completed the 2022-2023 Fiscal Year with an enrollment of 412 students. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2013-2014	408.0	-5.56%
2014-2015	411.0	0.74%
2015-2016	400.2	-2.63%
2016-2017	384.2	-4.16%
2017-2018	389.0	1.01%
2018-2019	372.9	-4.14%
2019-2020	375.4	0.67%
2020-2021	364.3	-2.96%
2021-2022	399.6	6.50%
2022-2023	410.3	2.68%

**2) INTERNAL ACCOUNTING CONTROLS:**

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

As a recipient of Federal and State financial assistance, the District 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.

**3) BUDGETARY CONTROLS:**

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

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

**4) ACCOUNTING SYSTEM AND REPORTS:**

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

**5) FINANCIAL INFORMATION AT FISCAL YEAR-END:**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management for the fiscal year ended June 30, 2023.

**6) DEBT ADMINISTRATION:**

At June 30, 2023, the District had outstanding debt issues of \$2,450,000 whose interest rates range from 1.50% to 2.00% and a bond anticipation note in the amount of \$1,350,000 whose interest rate is 4.50%.

**7) CASH MANAGEMENT:**

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

**8) RISK MANAGEMENT:**

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

**9) OTHER INFORMATION:**

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



**10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

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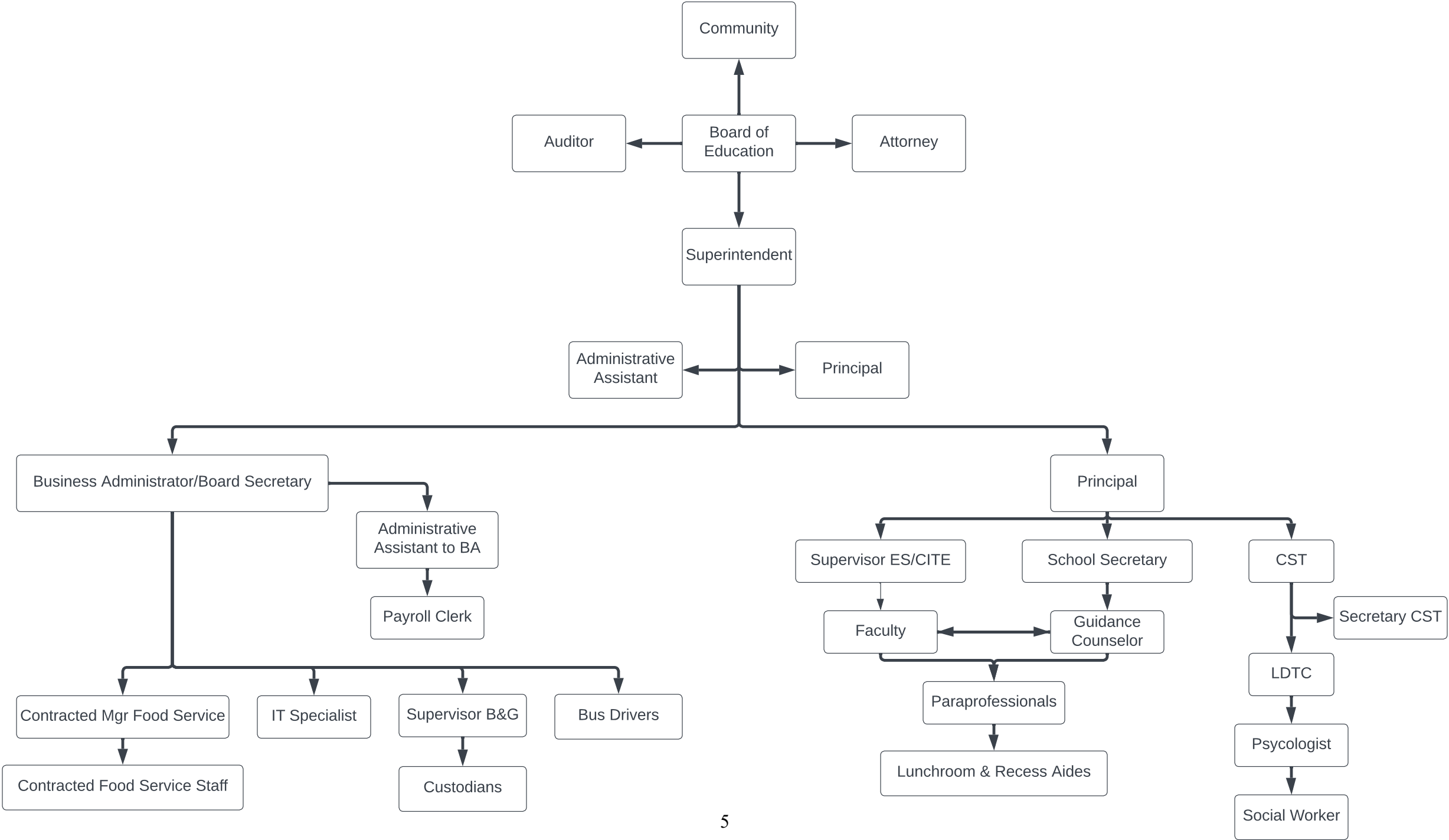
Scott Lipson  
Chief School Administrator

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Susan Joyce  
Business Administrator/Board Secretary

# Delaware Township Board of Education Organizational Chart

Rev. August 2022



**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Delaware, New Jersey**  
**Roster of Officials**  
**June 30, 2023**

<b>Members of the Board of Education</b>	<b>Title</b>	<b>Term Expires</b>
Catherine Pouria	President	2025
Tate Hoffman	Vice-President	2024
Laura Hornby		2023
Heather Opdyke		2023
Adam Pate		2023
Mary Lyons		2024
Jessica Stahl		2024
Maegan Harrington		2025
Joseph Ponzio		2025

<b>Other Officials</b>	<b>Title</b>
Dr. Richard Wiener	Superintendent
Susan Joyce	Board Secretary/School Business Administrator
Scott Lipson	Principal
Patricia Pillon	Supervisor

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Delaware, New Jersey**  
**Consultants and Advisors**  
**June 30, 2023**

**AUDIT FIRM**

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

**ARCHITECT**

Gianforcaro  
555 East Main Street  
Suite One  
Chester, NJ 07930

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

Provident Bank  
250 Madison Ave  
Morristown, NJ 07960

PNC Bank  
454 Route 28  
Bridgewater, NJ 08807



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

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## Independent Auditors' Report

Honorable President and  
Members of the Board of Education  
Delaware Township School District  
Sergeantsville, 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 Delaware Township School District (the District) in the County of Hunterdon, 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 November 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

November 22, 2023  
Flemington, New Jersey



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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

The discussion and analysis of the Delaware Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 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 \$314,514 which represents a 2.51% increase from 2022.
- General revenues accounted for \$12,983,221, or 95.47% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$616,409 or 4.53% to total revenues of \$13,599,630.
- Total assets of governmental activities increased by \$1,197,888 as cash and cash equivalents increased by \$1,654,307; receivables and other assets decreased by \$222,078; and capital assets decreased by \$234,341.
- The School District had \$13,285,096 in expenses; only \$616,409 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,983,221 were adequate to provide for these programs.
- The general fund had \$12,376,088 in revenues, \$11,914,718 in expenditures and \$186,981 net transfers out. The general fund's balance increased \$274,389 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 the Delaware Township School District as a financially whole operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

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

**Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022-2023?" 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 businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years.

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

These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

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

**The School District as a Whole**

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

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

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

	06/30/23	06/30/22	Variance	
			Dollars	Percent
<b>Assets</b>				
Current & other assets	\$ 8,844,693	\$ 7,317,598	\$ 1,527,095	20.87%
Capital assets	9,433,682	9,666,178	(232,496)	-2.41%
<b>Total assets</b>	<u>18,278,375</u>	<u>16,983,776</u>	<u>1,294,599</u>	<u>7.62%</u>
<b>Deferred pension activity</b>				
Total deferred outflow of resources	<u>237,803</u>	<u>252,306</u>	<u>(14,503)</u>	<u>-5.75%</u>
<b>Liabilities</b>				
Long-term liabilities	3,933,272	3,843,079	90,193	2.35%
Other liabilities	<u>1,452,370</u>	<u>91,777</u>	<u>1,360,593</u>	<u>1482.50%</u>
<b>Total liabilities</b>	<u>5,385,642</u>	<u>3,934,856</u>	<u>1,450,786</u>	<u>36.87%</u>
<b>Deferred pension activity</b>				
Total deferred inflow of resources	<u>292,857</u>	<u>778,081</u>	<u>(485,224)</u>	<u>-62.36%</u>
<b>Net position</b>				
Net investment in capital assets	6,956,075	6,928,063	28,012	0.40%
Restricted	6,109,745	6,078,333	31,412	0.52%
Unrestricted	<u>(228,141)</u>	<u>(483,251)</u>	<u>255,110</u>	<u>52.79%</u>
<b>Total net position</b>	<u>\$ 12,837,679</u>	<u>\$ 12,523,145</u>	<u>\$ 314,534</u>	<u>2.51%</u>

Total assets increased by \$1,294,599. Cash and cash equivalents increased by \$1,747,278, receivables and other assets decreased by \$220,183 and capital assets decreased by \$232,496.

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

Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District, increased by \$255,110.

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

Table 2 shows the changes in net position for the fiscal year ended June 30, 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	\$ 254,419	\$ 175,168	\$ 79,251	45.24%
Operating grants & contributions	361,990	467,137	(105,147)	-22.51%
General revenues				
Property taxes	8,769,865	8,739,294	30,571	0.35%
Unrestricted grants	3,948,585	4,508,696	(560,111)	-12.42%
Other	264,771	84,379	180,392	213.79%
Total revenues	<u>13,599,630</u>	<u>13,974,674</u>	<u>(375,044)</u>	-2.68%
Expenses				
Instruction				
Regular	6,071,407	6,226,768	(155,361)	-2.50%
Special	1,950,402	2,001,584	(51,182)	-2.56%
Other	131,322	207,215	(75,893)	-36.63%
Support services				
Tuition	243,554	166,756	76,798	46.05%
Student & instructional related services	2,003,538	1,721,711	281,827	16.37%
General & business administration	725,668	697,846	27,822	3.99%
School administration	166,979	168,956	(1,977)	-1.17%
Maintenance	1,166,166	1,064,798	101,368	9.52%
Transportation	587,153	489,660	97,493	19.91%
Food service	134,199	176,258	(42,059)	-23.86%
Interest on long term debt	104,708	86,105	18,603	21.61%
Total expenses	<u>13,285,096</u>	<u>13,007,657</u>	<u>277,439</u>	2.13%
Increase (decrease) before special items	314,534	967,017	(652,483)	-67.47%
Special items				
Gain (loss) on disposal of assets	-	(3,797)	3,797	100.00%
Change in net position	<u>\$ 314,534</u>	<u>\$ 963,220</u>	<u>\$ (648,686)</u>	-67.35%

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
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**Unaudited**

**Governmental Activities**

Property taxes made up 64.49% of revenues for district-wide activities for the Delaware Township School District for fiscal year 2023.

Instruction comprises 61.37% of district expenses. Support services expenses and interest on long term debt make up 38.63% of district expenses.

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

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

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 8,153,131	\$ 8,435,567	\$ 7,858,028	\$ 8,123,368
Support services				
Tuition	243,554	166,756	169,941	112,799
Student & instructional staff	2,003,538	1,721,711	1,927,194	1,669,030
General & business administration	725,668	697,846	725,668	697,846
School administration	166,979	168,956	166,979	168,956
Plant operations & maintenance	1,166,166	1,064,798	1,166,166	1,064,798
Pupil transportation	587,153	489,660	587,153	489,660
Food service	134,199	176,258	(37,150)	(47,210)
Interest on long-term debt	104,708	86,105	104,708	86,105
Total expenses	<u>\$ 13,285,096</u>	<u>\$ 13,007,657</u>	<u>\$ 12,668,687</u>	<u>\$ 12,365,352</u>

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

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

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

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

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

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
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Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenue is apparent. For all activities general revenue support is 95.40%. The community, as a whole, are the primary support for the Delaware Township School District.

**The School District's Funds**

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$12,779,923, expenditures of \$12,623,186 and other financing uses of \$57,288.

**General Fund Budgeting Highlights**

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

The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. During the course of the fiscal year 2023, the School District amended its general fund budget as needed for tuition revenue and expenditures of specific special education programs as allowed by law.

For the general fund, budget revenue was \$10,131,483, \$268,523 over original budgeted estimates of \$9,862,960. This difference was due primarily to interest on bank accounts exceeding budgeted amounts.

**DELAWARE 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 \$9,433,682 invested in land, buildings, furniture and equipment, and vehicles. 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	\$ 20,000	\$ 20,000	\$ -	0.00%
Construction in progress	187,519	3,100	184,419	5949.00%
Land improvements	245,645	270,496	(24,851)	-9.19%
Buildings & improvements	8,464,617	8,994,793	(530,176)	-5.89%
Machinery & equipment	482,849	341,813	141,036	41.26%
Right to use	33,052	34,232	(1,180)	-3.45%
Vehicles	-	1,744	(1,744)	-100.00%
	<u>\$ 9,433,682</u>	<u>\$ 9,666,178</u>	<u>\$ (232,496)</u>	<u>-2.41%</u>

Overall capital assets decreased \$232,496 from fiscal year 2022 to fiscal year 2023. Increases in capital assets of \$480,421 were offset by depreciation expenses of \$714,762. Significant capital asset acquisitions included a new paging system and a bleacher renovation project.

**Long-term liabilities**

At June 30, 2023, the School District had \$3,933,272 of long-term liabilities. This amount is detailed in Table 5 below for June 30, 2023 compared to June 30, 2022.

At June 30, 2023, the legal debt limit is \$28,299,342. General obligation debt at June 30, 2023 is \$3,800,000 resulting in a legal debt margin of \$24,499,342.

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

	06/30/23	06/30/22	Variance	
			Dollars	Percent
General obligation bonds	\$ 2,450,000	\$ 2,615,000	\$ (165,000)	-6.31%
Compensated absences	203,475	103,655	99,820	96.30%
Lease payable	27,607	123,115	(95,508)	-77.58%
PERS net pension liability	1,252,190	1,001,309	250,881	25.06%
	<u>\$ 3,933,272</u>	<u>\$ 3,843,079</u>	<u>\$ 90,193</u>	<u>2.35%</u>



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

**For the Future**

It is the opinion of the Superintendent and Business Administrator that the Delaware Township School District is presently in good financial condition. However, future finances are not without challenges as the State continues to impose unfunded mandates on schools while simultaneously restricting the ability to fiscally manage school budgets. Health Benefit costs are also an unknown that can put financial strain on the district as they most recently have.

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

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

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 986,781	\$ 135,961	\$ 1,122,742
Receivables, net	159,223	16,981	176,204
Inventory	-	4,398	4,398
Restricted cash and cash equivalents	7,541,349	-	7,541,349
Capital assets, net			
Land	20,000	-	20,000
Construction in progress	187,519	-	187,519
Other capital assets, net of depreciation and amortization	9,223,044	3,119	9,226,163
<b>Total assets</b>	<b>18,117,916</b>	<b>160,459</b>	<b>18,278,375</b>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	237,803	-	237,803
<b>Liabilities</b>			
Accounts payable	676	-	676
Bond anticipation note payable	1,350,000	-	1,350,000
Accrued interest	46,521	-	46,521
Payroll deductions and withholdings payable	10,584	-	10,584
Unearned revenue	16,358	5,163	21,521
Unemployment compensation claims payable	23,068	-	23,068
Long-term liabilities			
Due within one year	222,992	-	222,992
Due beyond one year	3,710,280	-	3,710,280
<b>Total liabilities</b>	<b>5,380,479</b>	<b>5,163</b>	<b>5,385,642</b>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	292,857	-	292,857

See accompanying notes to the financial statements.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position (continued)**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 6,952,956	\$ 3,119	\$ 6,956,075
Restricted for			
Capital reserve	4,968,065	-	4,968,065
Emergency reserve	181,198	-	181,198
Maintenance reserve	599,988	-	599,988
Scholarships	707	-	707
Student activities	30,229	-	30,229
Unemployment claims	100,117	-	100,117
Capital projects	229,439	-	229,439
Debt service	2	-	2
Unrestricted	(380,318)	152,177	(228,141)
Total net position	\$ 12,682,383	\$ 155,296	\$ 12,837,679

See accompanying notes to the financial statements.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the 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	\$ 3,098,885	\$ 2,972,522	\$ 123,188	\$ 157,104	\$ -	\$ (5,791,115)	\$ -	\$ (5,791,115)
Special education	838,718	744,989	-	5,513	-	(1,578,194)	-	(1,578,194)
Other special education	182,347	184,348	-	9,298	-	(357,397)	-	(357,397)
Other instruction	105,016	26,306	-	-	-	(131,322)	-	(131,322)
Support services								
Tuition	243,554	-	-	73,613	-	(169,941)	-	(169,941)
Students & instruction related services	1,299,520	704,018	26,904	49,440	-	(1,927,194)	-	(1,927,194)
General & business administration services	429,703	295,965	-	-	-	(725,668)	-	(725,668)
School administration services	97,233	69,746	-	-	-	(166,979)	-	(166,979)
Plant operations & maintenance	1,047,786	118,380	-	-	-	(1,166,166)	-	(1,166,166)
Pupil transportation	545,184	41,969	-	-	-	(587,153)	-	(587,153)
Interest on long-term debt	104,708	-	-	-	-	(104,708)	-	(104,708)
Total governmental activities	<u>7,992,654</u>	<u>5,158,243</u>	<u>150,092</u>	<u>294,968</u>	<u>-</u>	<u>(12,705,837)</u>	<u>-</u>	<u>(12,705,837)</u>
Business-type activities								
Food service	134,199	-	104,327	67,022	-	-	37,150	37,150
Total business-type activities	<u>134,199</u>	<u>-</u>	<u>104,327</u>	<u>67,022</u>	<u>-</u>	<u>-</u>	<u>37,150</u>	<u>37,150</u>
Total primary government	<u>\$ 8,126,853</u>	<u>\$ 5,158,243</u>	<u>\$ 254,419</u>	<u>\$ 361,990</u>	<u>\$ -</u>	<u>(12,705,837)</u>	<u>37,150</u>	<u>(12,668,687)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						8,759,865	-	8,759,865
Property taxes levied for debt service						10,000	-	10,000
Federal and state aid not restricted						3,948,585	-	3,948,585
Investment earnings						259,936	-	259,936
Miscellaneous income						4,735	100	4,835
Transfer in (out)						(57,288)	57,288	-
Total general revenues, special items and transfers						<u>12,925,833</u>	<u>57,388</u>	<u>12,983,221</u>
Change in net position						219,996	94,538	314,534
Net position - beginning						12,462,387	60,758	12,523,145
Net position - ending						<u>\$ 12,682,383</u>	<u>\$ 155,296</u>	<u>\$ 12,837,679</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.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 986,781	\$ -	\$ -	\$ -	\$ 986,781
Due from other funds	127,254	-	-	-	127,254
Account receivable	-	1,025	-	-	1,025
Receivables from other governments					
State	73,213	-	-	-	73,213
Federal	-	82,751	-	-	82,751
Local	2,234	-	-	-	2,234
Restricted cash and cash equivalents	5,872,436	30,936	1,637,975	2	7,541,349
<b>Total assets</b>	<b>\$ 7,061,918</b>	<b>\$ 114,712</b>	<b>\$ 1,637,975</b>	<b>\$ 2</b>	<b>\$ 8,814,607</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	\$ 68,718	\$ 58,536	\$ -	\$ 127,254
Accounts payable	676	-	-	-	676
Bond anticipation note payable	-	-	1,350,000	-	1,350,000
Payroll deductions and withholdings payable	10,584	-	-	-	10,584
Unearned revenue	1,300	15,058	-	-	16,358
Unemployment compensation claims payable	23,068	-	-	-	23,068
<b>Total liabilities</b>	<b>35,628</b>	<b>83,776</b>	<b>1,408,536</b>	<b>-</b>	<b>1,527,940</b>

See accompanying notes to the financial statements.

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

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Capital projects fund balance	\$ -	\$ -	\$ 71,341	\$ -	\$ 71,341
Excess surplus - designated for subsequent year's expenditures	550,000	-	-	-	550,000
Excess surplus - current year	200,000	-	-	-	200,000
Capital reserve	4,968,065	-	-	-	4,968,065
Emergency reserve	181,198	-	-	-	181,198
Maintenance reserve	599,988	-	-	-	599,988
Scholarships	-	707	-	-	707
Student activities	-	30,229	-	-	30,229
Unemployment claims	100,117	-	-	-	100,117
Committed fund balance					
Encumbrances	88,624	-	158,098	-	246,722
Assigned fund balance					
Designated for subsequent year's expenditures	169,727	-	-	2	169,727
Unassigned fund balance	168,571	-	-	-	168,573
Total fund balances	7,026,290	30,936	229,439	2	7,286,667
Total liabilities and fund balances	\$ 7,061,918	\$ 114,712	\$ 1,637,975	\$ 2	

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 \$20,762,417 and the accumulated depreciation is \$11,331,854.	9,430,563
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(55,054)
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.	(3,933,272)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(46,521)
Total net position of governmental activities	\$ 12,682,383

See accompanying notes to the financial statements.



**DELAWARE 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
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 8,759,865	\$ -	\$ -	\$ 10,000	\$ 8,769,865
Tuition charges					
Individuals	123,188	-	-	-	123,188
Interest on investments	259,936	-	-	-	259,936
Miscellaneous	4,735	32,455	-	-	37,190
Total local sources	9,147,724	32,455	-	10,000	9,190,179
State sources	3,228,364	14,930	-	71,963	3,315,257
Federal sources	-	274,487	-	-	274,487
Total revenues	12,376,088	321,872	-	81,963	12,779,923
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	3,090,440	103,953	-	-	3,194,393
Special education instruction	833,205	5,513	-	-	838,718
Other special instruction	173,049	9,298	-	-	182,347
Other instruction	105,016	-	-	-	105,016
Support service and undistributed costs					
Tuition	169,941	73,613	-	-	243,554
Student & instruction related services	1,224,385	75,135	-	-	1,299,520
General & business administrative services	429,703	-	-	-	429,703
School administrative services	97,233	-	-	-	97,233
Plant operations & maintenance	1,047,786	-	-	-	1,047,786
Pupil transportation	545,184	-	-	-	545,184
Unallocated benefits	3,913,941	1,302	-	-	3,915,243

See accompanying notes to the financial statements.

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 252,423	\$ 51,849	\$ 176,149	\$ -	\$ 480,421
Debt service					
Principal	-	-	-	165,000	165,000
Interest and other charges	32,412	-	-	46,656	79,068
Total expenditures	<u>11,914,718</u>	<u>320,663</u>	<u>176,149</u>	<u>211,656</u>	<u>12,623,186</u>
Excess (deficiency) of revenues over (under) expenditures	461,370	1,209	(176,149)	(129,693)	156,737
Other financing sources (uses)					
Transfers	(186,981)	-	-	129,693	(57,288)
Total other financing sources (uses)	<u>(186,981)</u>	<u>-</u>	<u>-</u>	<u>129,693</u>	<u>(57,288)</u>
Net change in fund balance	274,389	1,209	(176,149)	-	99,449
Fund balances, July 1	<u>6,751,901</u>	<u>29,727</u>	<u>405,588</u>	<u>2</u>	<u>7,187,218</u>
Fund balances, June 30	<u><u>\$ 7,026,290</u></u>	<u><u>\$ 30,936</u></u>	<u><u>\$ 229,439</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 7,286,667</u></u>

See accompanying notes to the financial statements.

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

Total net changes in fund balances - governmental fund (from B-2) \$ 99,449

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

Capital outlays are reported in governmental funds as expenditures.

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

Capital outlays	\$ 480,421	
Depreciation expense	<u>(714,762)</u>	(234,341)

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:

Debt principal payments	165,000	
Lease principal payments	<u>95,508</u>	260,508

Governmental fund report lease proceeds as financing sources whereas issuing debt increase long-term liabilities in the government-wide statements

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. 219,840

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**Fund Balances of Governmental Funds to the Statement of Activities (continued)**  
**For the Fiscal Year Ended June 30, 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. \$ (25,640)

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. (99,820)

Change in net position of governmental activities \$ 219,996

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2023**

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 135,961
Receivables from other governments	
State	546
Federal	16,435
Inventory	4,398
Total current assets	157,340
Noncurrent assets	
Capital assets	132,365
Less: accumulated depreciation	129,246
Total noncurrent assets	3,119
Total assets	160,459
Liabilities	
Current liabilities	
Unearned revenues - commodities	2,379
Unearned revenues - prepaid sales	2,784
Total liabilities	5,163
Net position	
Net investment in capital assets	3,119
Unrestricted	152,177
Total net position	\$ 155,296

See accompanying notes to the financial statements.

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

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable program	\$ 64,715
Daily sales - nonreimbursable programs	39,612
Total operating revenues	104,327
Operating expenses	
Cost of sales - reimbursable programs	39,539
Cost of sales - non-reimbursable programs	8,649
Commodity food costs	16,670
Salaries	37,975
Support services - employee benefits	5,564
Purchased professional/technical services	1,682
Purchased property services	6,550
Other purchased services	
Insurance	5,950
Management fee	9,260
Supplies and materials	1,610
Depreciation	201
Miscellaneous expenditures	549
Total operating expenses	134,199
Operating income (loss)	(29,872)
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,533
Federal sources	
National school lunch program	
Cash assistance	28,925
Non-cash assistance (commodities)	16,670
Supply chain assistance	19,894
Other sources	
Miscellaneous	100
Total non-operating revenues (expenses)	67,122
Other financing sources (uses)	
Board contribution	57,288
Change in net position	94,538
Net position, beginning	60,758
Net position, ending	\$ 155,296

See accompanying notes to the financial statements.

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

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers (net)	\$ 105,263
Payments to Food Service Management Company	(108,381)
Payments to vendors (net)	<u>(7,299)</u>
Net cash provided by (used for) operating activities	<u>(10,417)</u>
Cash flows from non-capital financing activities	
State sources	1,425
Federal sources	46,621
Miscellaneous	<u>100</u>
Net cash provided by (used for) noncapital financing activities	<u>48,146</u>
Cash flows from capital financing activities	
Acquisition of equipment	(2,046)
Operating transfer in	<u>57,288</u>
Net cash provided by (used for) capital financing activities	<u>55,242</u>
Net increase (decrease) in cash and cash equivalents	92,971
Cash and cash equivalents, beginning	<u>42,990</u>
Cash and cash equivalents, ending	<u><u>\$ 135,961</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (29,872)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	201
Federal food donation program	16,670
(Increase) decrease in inventory	411
Increase (decrease) in unearned revenue	<u>2,173</u>
Net cash provided by (used for) operating activities	<u><u>\$ (10,417)</u></u>

See accompanying notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**



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

Note 1 - Summary of significant accounting policies

The financial statements of the Delaware Township School District (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 Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2023 of 412 students.

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

Equipment	12 years
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Fiduciary fund types

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

D. Budgets/budgetary control

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

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

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 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.

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

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

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

J. Capital assets

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

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

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

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

K. Compensated absences

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

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

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

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

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

L. Unearned revenue

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

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

M. Long-term obligations

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

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



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

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

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

O. Fund balances - governmental funds

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

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

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

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows/inflows of resources

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

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

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.

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

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 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.

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

Note 3 - Deposits, 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 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	6,917,110
Deposits with NJ ARM	1,658,231
Total bank balances	\$ 8,825,341

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

Cash and cash equivalents		\$ 8,664,091
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 986,781
Enterprise funds, Statement of Net Position	B-4	135,961
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	7,541,349
Total cash and cash equivalents		\$ 8,664,091

Investments

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management fund (NJARM).

The NJARM, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Security and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District’s portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJARM without penalty. At June 30, 2023, the District’s balance was \$1,658,231 with NJARM, The NJARM Joint Account portfolio is rated AAA by Standard & Poor’s.

**DELAWARE 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, not being depreciated or amortized				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction in progress	3,100	184,419	-	187,519
Total	<u>23,100</u>	<u>184,419</u>	<u>-</u>	<u>207,519</u>
Capital assets, being depreciated or amortized				
Land improvements	672,577	-	-	672,577
Building & improvements	18,429,063	5,300	-	18,434,363
Furniture & equipment	1,093,945	290,702	-	1,384,647
Vehicles	27,899	-	-	27,899
Right-to-use asset	35,412	-	-	35,412
Total	<u>20,258,896</u>	<u>296,002</u>	<u>-</u>	<u>20,554,898</u>
Accumulated depreciation or amortization				
Land improvements	402,081	24,851	-	426,932
Building & improvements	9,434,270	535,476	-	9,969,746
Furniture & equipment	753,406	151,511	-	904,917
Vehicles	26,155	1,744	-	27,899
Right-to-use asset	1,180	1,180	-	2,360
Total	<u>10,617,092</u>	<u>714,762</u>	<u>-</u>	<u>11,331,854</u>
Total capital assets being depreciated or amortized, net	<u>9,641,804</u>	<u>(418,760)</u>	<u>-</u>	<u>9,223,044</u>
Governmental activities capital assets, net	<u>\$ 9,664,904</u>	<u>\$ (234,341)</u>	<u>\$ -</u>	<u>\$ 9,430,563</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 130,319	\$ 2,046	\$ -	\$ 132,365
Less: accumulated depreciation or amortization	<u>129,045</u>	<u>201</u>	<u>-</u>	<u>129,246</u>
Business type activities capital assets, net	<u>\$ 1,274</u>	<u>\$ 1,845</u>	<u>\$ -</u>	<u>\$ 3,119</u>

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

Note 4 - Capital assets (continued)

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

Instruction		
Regular	\$	369,575
Special education		97,035
Other special instruction		21,097
Other instruction		12,150
Support services		
Student & instruction		150,348
General & business administration		49,714
School administration		11,249
Plant maintenance		1,850
Transportation		1,744
Total depreciation expense, governmental activities	\$	714,762

Note 5 - Long-term debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation					
bonds payable	\$ 2,615,000	\$ -	\$ 165,000	\$ 2,450,000	\$ 170,000
Compensated					
absences payable	103,655	99,820	-	203,475	46,085
PERS net pension					
liability	1,001,309	250,881	-	1,252,190	-
Leases payable	123,115	-	95,508	27,607	6,907
Total governmental activities long-term liabilities	\$ 3,843,079	\$ 350,701	\$ 260,508	\$ 3,933,272	\$ 222,992

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 Ending June 30,	Principal	Interest	Total
2024	\$ 170,000	\$ 44,388	\$ 214,388
2025	180,000	41,837	221,837
2026	185,000	39,138	224,138
2027	190,000	36,363	226,363
2028	195,000	33,513	228,513
2029 - 2033	1,060,000	111,400	1,171,400
2034 - 2035	470,000	14,200	484,200
Total	\$ 2,450,000	\$ 320,838	\$ 2,770,838

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

Note 5 - Long-term debt (continued)

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

\$2,820,000 - 2020 general obligation bonds, due in annual installments of \$165,000 to \$240,000, beginning September 1, 2020, through March 1, 2035, interest at 1.25% to 2.00%.	\$ 2,450,000
Total	\$ 2,450,000

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 \$28,299,342. General obligation debt at June 30, 2023 is \$3,800,000 resulting in a legal debt margin of \$24,499,342.

*Bond Anticipation Notes* - On December 22, 2022, the District obtained bond anticipation notes in the amount of \$1,350,000 with an interest rate of 4.50% to finance school facilities improvements. The bond anticipation notes are to be paid in full on July 28, 2023.

Leases payable

The District is leasing copiers at an interest rate of 2.92%. Payments are due in monthly installments beginning in May of 2022 and ending in April of 2027. The annual requirements to amortize all leases outstanding as of June 30, 2023, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 6,907	\$ 714	\$ 7,621
2025	7,111	510	7,621
2026	7,322	299	7,621
2027	6,267	84	6,351
Total	\$ 27,607	\$ 1,607	\$ 29,214

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.

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

Note 6 - Pension plans

A. Public employees' retirement systems (PERS)

Plan description

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

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



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

Note 6 - Pension plans (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

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.

**DELAWARE 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 15.98% 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 measurement date June 30, 2022:

Net pension liability	\$ 1,252,190
Proportionate share	0.0082973843%
Plan fiduciary net position as a percentage of the total pension liability	62.91%

**DELAWARE 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:

**DELAWARE 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:

<u>District's proportionate share of the net pension liability</u>	
At current discount rate (7.00%)	\$ 1,252,190
At a 1% lower rate (6.00%)	1,622,321
At a 1% higher rate (8.00%)	956,823

**DELAWARE 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	\$ 9,038	\$ 7,970
Changes of assumptions	3,880	187,502
Net difference between projected and actual earnings on pension plan investments	51,827	-
Changes in proportion and differences between District contributions and proportionate share of contributions	68,424	97,385
District contributions subsequent to the measurement date	104,634	-
Total	\$ 237,803	\$ 292,857

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2023, the Plan measurement date is June 30, 2022) of \$104,634 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 fiscal 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	\$ 15,792	\$ (6,754)	\$ 9,038
Changes of assumptions	5,215	(1,335)	3,880
Differences between expected and actual experience	-	51,827	51,827
Deferred inflows of resources			
Differences between expected and actual experience	(7,168)	(802)	(7,970)
Changes of assumptions	(356,473)	168,971	(187,502)
Differences between projected and actual investment earnings on pension plan investments	(263,771)	263,771	-
Net of deferred outflows	\$ (606,405)	\$ 475,678	\$ (130,727)

**DELAWARE 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

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:

Fiscal Year Ending June 30,

2023	\$ (107,411)
2024	(54,722)
2025	(26,687)
2026	58,221
2027	(128)
Total	<u>\$ (130,727)</u>

Pension expense (benefit)

For the fiscal year ended June 30, 2022, the District recognized net pension expense (benefit) of (\$115,206), which represents the District's proportionate share of allocable plan pension revenue of (\$90,684), plus other adjustments to the net pension liability of (\$5,647), plus the net amortization of deferred amounts from changes in proportion of (\$18,875). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2022 measurement date are as follows:

Service cost	\$ 60,357
Interest on total pension liability	242,074
Benefit changes	702
Member contributions	(50,334)
Administrative expense	1,081
Expected investment return net of investment expense	(161,592)
Pension expense related to specific liabilities of individual employers	(867)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	2,866
Changes of assumptions	(180,952)
Difference between projected and actual investment earnings on pension plan investments	(4,019)
Pension expense (benefit)	<u>\$ (90,684)</u>

**DELAWARE 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](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

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

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

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

Note 6 - Pension plans (continued)

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

Special funding situation

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

During the State fiscal year ending June 30, 2022, the State of New Jersey contributed \$1,437,064 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's proportionate share of net pension liability	\$	26,162,871
Less: State proportionate share of net pension liability		8,447,214
Net pension liability	\$	17,715,657
 Proportionate share		 0.0343363840%
 Plan fiduciary net position as a percentage of the total pension liability		 32.29%



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

Note 6 - Pension plans (continued)

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

Actuarial assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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 weighing 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:

**DELAWARE 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 the 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%)	\$ 17,715,657
At a 1% lower rate (6.00%)	20,771,984
At a 1% higher rate (8.00%)	15,141,085

**DELAWARE 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)

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ending June 30, 2022 measurement date are as follows:

Service cost	\$	409,682
Interest on total pension liability		1,764,472
Benefit changes		-
Member contributions		(311,048)
Administrative expense		4,332
Expected investment return net of investment expense		(679,860)
Pension expense related to specific liabilities of individual employers		(136)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		68,800
Changes of assumptions		(821,549)
Difference between projected and actual investment earnings on pension plan investments		42,085
Pension expense (benefit)	\$	476,778

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](http://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 \$9,094.

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

Note 6 - Pension plans (continued)

D. Other pension plan information

During the year ended June 30, 2023, the State of New Jersey contributed \$402,815 to the TPAF for postretirement medical benefits, \$20,983 for non-contributory insurance premiums, \$476 for long-term disability insurance, and \$1,512,398 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 \$301,737 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.

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.

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

Note 7 - Postretirement benefits (continued)

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>.

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.

Total OPEB liability (continued)

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of the 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	19,965,309
Employer OPEB expense and related revenue	168,845
Allocable proportionate percentage	0.0394209345%

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

Note 7 - Postretirement benefits (continued)  
Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2021	\$ 23,556,358
Service cost	805,203
Interest cost	529,103
Change of benefit terms	-
Differences between expected and actual experiences	937,797
Changes of assumptions	(5,355,873)
Member contributions	16,813
Gross benefit payments	(524,092)
Total OPEB liability at June 30, 2022	\$ 19,965,309

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.

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:

	<u>TPAF</u>	<u>PERS</u>
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 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.

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

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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, 2011 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.

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%)	\$	19,965,309
At a 1% lower rate (2.54%)		23,467,121
At a 1% higher rate (4.54%)		17,158,782

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

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

Healthcare cost trend rate	\$	19,965,309
At a 1% lower rate (1% decrease)		16,502,548
At a 1% higher rate (1% increase)		24,513,856

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

Note 7 - Postretirement benefits (continued)

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$168,845 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:

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

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2023 is as follows:

	Receivable	Payable
General fund	\$ 127,254	\$ -
Special revenue fund	-	68,718
Capital projects fund	-	58,536
	\$ 127,254	\$ 127,254

The balance due from the special revenue fund to the general fund of \$68,718 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance due from the capital projects fund to the general fund of \$58,536 represents expenditures processed in the general fund that are expenditures of the capital projects fund.

Note 10 - Inventory

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

Food	\$ 3,425
Supplies	973
Total	\$ 4,398



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

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.

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 Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	Other	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance Available for Claims
2022 - 2023	\$ -	\$ 3,180	\$ 9,713	\$ 4,371	\$ 123,185
2021 - 2022	-	271	9,353	177	114,663
2020 - 2021	513	249	8,550	-	105,216

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

Note 13 - Reserve accounts

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

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

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$257,280 to capital reserve accounts by Board Resolution in June 2023 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 4,769,695	\$ 257,280	\$ 128,071	\$ -	\$ 186,981	\$ 4,968,065
Emergency	176,396	-	4,802	-	-	181,198
Maintenance	599,988	-	-	50,000	50,000	599,988
Total	<u>\$ 5,546,079</u>	<u>\$ 257,280</u>	<u>\$ 132,873</u>	<u>\$ 50,000</u>	<u>\$ 236,981</u>	<u>\$ 5,749,251</u>

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

Note 14 - Fund balance - general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 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.	\$ 550,000
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.	200,000
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	4,968,065
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	181,198
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	599,988
Unemployment - represents funds accumulated for future unemployment claims.	100,117

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.	88,624
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Assigned

Designated surplus - designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	169,727
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	257,914
Total fund balance - budgetary basis (Exhibit C-1)	7,115,633
Last state aid payments not recognized on GAAP basis	(89,343)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 7,026,290</u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$200,000.

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

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 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2023 of (\$380,318) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - Subsequent events

On September 1, 2023, the District entered into a lease agreement with American Capital Financial Services, Inc for theatrical lighting upgrades. The term of the lease is from September 1, 2023 to September 1, 2027 at an interest rate of 6.82%. Total principal payments are \$237,032 and total interest payments are \$32,238.

The District has evaluated and determined that no material events or transactions, other than the comment above, have occurred subsequent to November 22, 2023, which is the date the financial statements were available to be issued, which requires additional disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
<b>Revenues</b>					
<b>Local sources</b>					
Local tax levy	\$ 8,759,865	\$ -	\$ 8,759,865	\$ 8,759,865	\$ -
Tuition from individuals	100,000	-	100,000	123,188	23,188
Rents and royalties	-	-	-	2,500	2,500
Unrestricted miscellaneous revenues	15,000	-	15,000	126,118	111,118
Interest earned on current expense emergency reserve	750	-	750	4,802	4,052
Interest earned on maintenance reserve	1,500	-	1,500	-	(1,500)
Interest earned on capital reserve funds	10,000	-	10,000	128,071	118,071
Other restricted miscellaneous revenues	-	-	-	3,180	3,180
<b>Total</b>	<b>8,887,115</b>	<b>-</b>	<b>8,887,115</b>	<b>9,147,724</b>	<b>260,609</b>
<b>State sources</b>					
School choice Aid	327,924	-	327,924	327,924	-
Categorical Transportation Aid	167,383	-	167,383	167,383	-
Extraordinary Aid	50,000	-	50,000	53,546	3,546
Categorical Special Education Aid	267,084	-	267,084	267,084	-
Categorical Security Aid	34,010	-	34,010	34,010	-
Adjustment Aid	129,444	-	129,444	129,444	-
Other State Aid	-	-	-	4,368	4,368
TPAF Pension (on-behalf)	-	-	-	1,512,398	1,512,398
TPAF Pension (on-behalf)	-	-	-	20,983	20,983
TPAF Social Security (reimbursed)	-	-	-	301,737	301,737
TPAF Postretirement benefits	-	-	-	402,815	402,815
TPAF Long-term disability insurance	-	-	-	476	476
<b>Total</b>	<b>975,845</b>	<b>-</b>	<b>975,845</b>	<b>3,222,168</b>	<b>2,246,323</b>
<b>Total revenues</b>	<b>\$ 9,862,960</b>	<b>\$ -</b>	<b>\$ 9,862,960</b>	<b>\$ 12,369,892</b>	<b>\$ 2,506,932</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instruction - regular program</b>					
<b>Salaries of Teachers</b>					
Preschool	\$ 175,316	\$ (2,700)	\$ 172,616	\$ 162,565	\$ 10,051
Kindergarten	251,840	1,799	253,639	253,618	21
Grades 1-5	1,555,791	(62,791)	1,493,000	1,492,897	103
Grades 6-8	906,341	(29,839)	876,502	875,272	1,230
<b>Home instruction</b>					
Salaries of Teachers	2,500	-	2,500	-	2,500
<b>Regular programs - undistributed instruction</b>					
Purchased professional - educational services	2,000	(2,000)	-	-	-
Purchased technical services	1,500	(1,500)	-	-	-
Other purchased services	1,500	(694)	806	-	806
General supplies	406,535	(129,043)	277,492	256,253	21,239
Textbooks	44,000	5,396	49,396	49,385	11
Other objects	4,000	(3,550)	450	450	-
<b>Total</b>	<b>3,351,323</b>	<b>(224,922)</b>	<b>3,126,401</b>	<b>3,090,440</b>	<b>35,961</b>

See independent auditors' report.

**DELAWARE 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	\$ 136,970	\$ (67,155)	\$ 69,815	\$ 68,548	\$ 1,267
Other salaries for instruction	58,795	(20,337)	38,458	38,115	343
General supplies	1,000	(45)	955	820	135
Total	<u>196,765</u>	<u>(87,537)</u>	<u>109,228</u>	<u>107,483</u>	<u>1,745</u>
Resource room/resource center					
Salaries of Teachers	546,696	40,180	586,876	586,706	170
Other salaries for instruction	131,553	(2,311)	129,242	128,892	350
Purchased professional - educational services	-	1,394	1,394	1,394	-
General supplies	2,500	375	2,875	2,713	162
Total	<u>680,749</u>	<u>39,638</u>	<u>720,387</u>	<u>719,705</u>	<u>682</u>
Home instruction					
Salaries of Teachers	1,800	4,217	6,017	6,017	-
General supplies	1,500	-	1,500	-	1,500
Total	<u>3,300</u>	<u>4,217</u>	<u>7,517</u>	<u>6,017</u>	<u>1,500</u>
Total special education	<u>880,814</u>	<u>(43,682)</u>	<u>837,132</u>	<u>833,205</u>	<u>3,927</u>
Basic skills/remedial					
Salaries of Teachers	162,109	9,066	171,175	170,659	516
General supplies	3,500	(76)	3,424	2,390	1,034
Total	<u>165,609</u>	<u>8,990</u>	<u>174,599</u>	<u>173,049</u>	<u>1,550</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	64,000	(18,601)	45,399	45,227	172
Purchased services	3,000	(2,936)	64	-	64
Supplies and materials	5,317	3,892	9,209	7,276	1,933
Other objects	500	(355)	145	145	-
Total	<u>72,817</u>	<u>(18,000)</u>	<u>54,817</u>	<u>52,648</u>	<u>2,169</u>
School-sponsored athletics - instruction					
Salaries	53,458	296	53,754	38,086	15,668
Purchased services	6,000	234	6,234	6,234	-
Supplies and materials	12,490	2,384	14,874	7,253	7,621
Other objects	-	795	795	795	-
Total	<u>71,948</u>	<u>3,709</u>	<u>75,657</u>	<u>52,368</u>	<u>23,289</u>
Total instruction regular	<u>\$ 4,542,511</u>	<u>\$ (273,905)</u>	<u>\$ 4,268,606</u>	<u>\$ 4,201,710</u>	<u>\$ 66,896</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to priv. school for the disabled w/i state	\$ 239,625	\$ (18,837)	\$ 220,788	\$ 169,941	\$ 50,847
Total	<u>239,625</u>	<u>(18,837)</u>	<u>220,788</u>	<u>169,941</u>	<u>50,847</u>

See independent auditors' report.



**DELAWARE 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 - health services					
Salaries	\$ 71,870	\$ 3,765	\$ 75,635	\$ 74,642	\$ 993
Purchased professional and technical services	5,500	(1,549)	3,951	3,951	-
Supplies and materials	5,000	(1,065)	3,935	3,839	96
Total	<u>82,370</u>	<u>1,151</u>	<u>83,521</u>	<u>82,432</u>	<u>1,089</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	60,366	15,281	75,647	75,557	90
Purchased professional - educational services	202,355	(56,012)	146,343	119,874	26,469
Supplies and materials	4,000	(500)	3,500	2,463	1,037
Other objects	250	-	250	-	250
Total	<u>266,971</u>	<u>(41,231)</u>	<u>225,740</u>	<u>197,894</u>	<u>27,846</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	-	33,252	33,252	32,702	550
Supplies and materials	-	1,755	1,755	1,717	38
Total	<u>-</u>	<u>35,007</u>	<u>35,007</u>	<u>34,419</u>	<u>588</u>
Undistributed expenditures - guidance					
Salaries of other Professional Staff	84,360	(729)	83,631	83,292	339
Purchased professional - educational services	5,075	(4,837)	238	-	238
Supplies and materials	5,000	(733)	4,267	836	3,431
Total	<u>94,435</u>	<u>(6,299)</u>	<u>88,136</u>	<u>84,128</u>	<u>4,008</u>
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	301,204	(71,660)	229,544	229,485	59
Salaries of Secretarial and Clerical Assistants	50,145	1,791	51,936	51,439	497
Purchased professional - educational services	30,000	(12,774)	17,226	12,862	4,364
Other purchased professional & technical services	32,000	(32,000)	-	-	-
Supplies and materials	7,500	(1,791)	5,709	4,365	1,344
Total	<u>420,849</u>	<u>(116,434)</u>	<u>304,415</u>	<u>298,151</u>	<u>6,264</u>
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	100,245	1	100,246	100,245	1
Salaries of other Professional Staff	2,762	-	2,762	2,363	399
Salaries of Secretarial & Clerical Assist	32,258	(1)	32,257	28,997	3,260
Purchased professional - educational services	5,500	-	5,500	-	5,500
Other purchased services	600	(600)	-	-	-
Supplies and materials	3,000	-	3,000	2,345	655
Other objects	2,550	-	2,550	2,038	512
Total	<u>146,915</u>	<u>(600)</u>	<u>146,315</u>	<u>135,988</u>	<u>10,327</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	117,119	4,170	121,289	120,563	726
Purchased professional and technical services	46,600	(8,839)	37,761	37,761	-
Other purchased services	55,000	82,759	137,759	133,870	3,889
Supplies and materials	105,520	5,689	111,209	93,432	17,777
Other objects	750	-	750	625	125
Total	<u>324,989</u>	<u>83,779</u>	<u>408,768</u>	<u>386,251</u>	<u>22,517</u>

See independent auditors' report.

**DELAWARE 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 - instructional staff training services					
Purchased professional - educational services	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000
Other purchased services	6,376	232	6,608	5,122	1,486
Supplies and materials	500	(232)	268	-	268
<b>Total</b>	<b>11,876</b>	<b>-</b>	<b>11,876</b>	<b>5,122</b>	<b>6,754</b>
Undistributed expenditures - support service - general admin.					
Salaries	158,616	-	158,616	158,616	-
Legal services	20,000	(442)	19,558	11,406	8,152
Audit fees	18,500	2,350	20,850	20,850	-
Other purchased professional services	32,000	(1,644)	30,356	20,731	9,625
Communications/telephone	41,000	(4,200)	36,800	30,700	6,100
BOE other purchased services	6,500	(1,500)	5,000	4,500	500
Miscellaneous purchased services	6,000	5,080	11,080	1,386	9,694
General supplies	1,000	(329)	671	-	671
Miscellaneous expenditures	3,000	686	3,686	3,686	-
BOE membership dues and fees	4,500	-	4,500	4,477	23
<b>Total</b>	<b>291,116</b>	<b>1</b>	<b>291,117</b>	<b>256,352</b>	<b>34,765</b>
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	64,375	(226)	64,149	63,685	464
Salaries of Secretarial and Clerical Assistants	30,758	476	31,234	31,233	1
Other purchased services	250	(250)	-	-	-
Supplies and materials	1,500	615	2,115	2,115	-
Other objects	8,000	(615)	7,385	200	7,185
<b>Total</b>	<b>104,883</b>	<b>-</b>	<b>104,883</b>	<b>97,233</b>	<b>7,650</b>
Undistributed expenditures - central services					
Salaries	163,687	473	164,160	164,150	10
Purchased professional services	13,000	1,616	14,616	5,044	9,572
Purchased technical services	5,000	-	5,000	-	5,000
Miscellaneous purchased services	27,500	447	27,947	497	27,450
Supplies and materials	3,700	-	3,700	3,615	85
Other objects	19,500	(2,536)	16,964	45	16,919
<b>Total</b>	<b>232,387</b>	<b>-</b>	<b>232,387</b>	<b>173,351</b>	<b>59,036</b>
Undistributed expenditures - required maint. for school facilities					
Salaries	97,656	(11,000)	86,656	86,261	395
Cleaning, repair, and maintenance services	172,389	36,731	209,120	198,670	10,450
General supplies	50,000	(22,422)	27,578	24,071	3,507
Other objects	1,000	1,133	2,133	2,133	-
<b>Total</b>	<b>321,045</b>	<b>4,442</b>	<b>325,487</b>	<b>311,135</b>	<b>14,352</b>

See independent auditors' report.

**DELAWARE 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 - custodial services					
Salaries	\$ 239,764	\$ (17,650)	\$ 222,114	\$ 219,615	\$ 2,499
Salaries of non-instructional aides	55,834	(43,066)	12,768	12,629	139
Purchased professional and technical services	3,000	(3,000)	-	-	-
Cleaning, repair, and maintenance service	12,000	(821)	11,179	11,152	27
Other purchased property services	37,000	8,463	45,463	45,462	1
Insurance	65,000	34,465	99,465	99,465	-
General supplies	10,677	27,914	38,591	36,546	2,045
Energy (electricity)	75,000	30,570	105,570	102,227	3,343
Energy (oil)	75,000	43,191	118,191	118,191	-
Energy (gasoline)	1,700	(1,500)	200	-	200
Other objects	2,500	551	3,051	3,051	-
Total	<u>577,475</u>	<u>79,117</u>	<u>656,592</u>	<u>648,338</u>	<u>8,254</u>
Undistributed expenditures - care and upkeep of grounds					
Cleaning, repair, and maintenance service	5,000	(5,000)	-	-	-
General supplies	1,947	427	2,374	2,374	-
Total	<u>6,947</u>	<u>(4,573)</u>	<u>2,374</u>	<u>2,374</u>	<u>-</u>
Undistributed expenditures - security					
Salaries	52,560	(5,019)	47,541	47,540	1
Purchased professional and technical services	10,000	21,672	31,672	31,532	140
Cleaning, repair, and maintenance service	5,000	1,437	6,437	6,437	-
General supplies	2,600	(2,170)	430	430	-
Total	<u>70,160</u>	<u>15,920</u>	<u>86,080</u>	<u>85,939</u>	<u>141</u>
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	57,403	(4,144)	53,259	52,642	617
Management fee - ESC & CTSA trans. program	3,500	3,000	6,500	3,660	2,840
Cleaning, repair, & maint. services	2,500	(2,500)	-	-	-
Contract serv-aid in lieu pymts - non-public schools	15,000	(2,736)	12,264	12,264	-
Contract serv-aid in lieu pymts-choice school students	10,000	(7,764)	2,236	2,044	192
Contract serv (oth. than between home & school) - vend.	25,000	(881)	24,119	24,119	-
Contract serv (between home & school) - joint agreements	320,000	15,797	335,797	335,797	-
Contract serv (sp. ed. Stds.) - vendors	35,000	(400)	34,600	34,600	-
Contract serv (sp. ed. Stds.) - ESCs & CTSA	15,000	107,704	122,704	66,548	56,156
Miscellaneous purchased services - transportation	300	13,210	13,510	13,510	-
General supplies	250	(250)	-	-	-
Transportation supplies	2,500	(2,500)	-	-	-
Other objects	800	(800)	-	-	-
Total	<u>487,253</u>	<u>117,736</u>	<u>604,989</u>	<u>545,184</u>	<u>59,805</u>

See independent auditors' report.

**DELAWARE 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		
Unallocated benefits - employee benefits					
Social Security contributions	\$ 105,000	\$ 621	\$ 105,621	\$ 105,621	\$ -
Other retirement contributions - PERS	100,000	4,634	104,634	104,634	-
Other retirement contributions - regular	13,000	-	13,000	6,736	6,264
Workmen's compensation	80,000	(14,634)	65,366	62,598	2,768
Health benefits	1,417,870	(66,452)	1,351,418	1,341,301	10,117
Tuition reimbursement	49,318	(11,125)	38,193	28,559	9,634
Other employee benefits	46,000	(27,899)	18,101	16,395	1,706
Unused sick payment to terminated/retired staff	45,000	(24,729)	20,271	9,688	10,583
Total	<u>1,856,188</u>	<u>(139,584)</u>	<u>1,716,604</u>	<u>1,675,532</u>	<u>41,072</u>
On-behalf TPAF Pension contribution	-	-	-	1,512,398	(1,512,398)
On-behalf TPAF Pension contribution	-	-	-	20,983	(20,983)
On-behalf TPAF Postretirement medical benefits	-	-	-	402,815	(402,815)
On-behalf TPAF Long-term disability insurance	-	-	-	476	(476)
Reimbursed TPAF Social Security contribution	-	-	-	301,737	(301,737)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,238,409</u>	<u>(2,238,409)</u>
Total undistributed expenditures	<u>\$ 5,535,484</u>	<u>\$ 9,595</u>	<u>\$ 5,545,079</u>	<u>\$ 7,428,173</u>	<u>\$ (1,883,094)</u>
Total current	<u>\$ 10,077,995</u>	<u>\$ (264,310)</u>	<u>\$ 9,813,685</u>	<u>\$ 11,629,883</u>	<u>\$ (1,816,198)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 19,646	\$ 19,646	\$ 19,646	\$ -
Undistributed expend. - support service - inst. staff	10,000	854	10,854	10,854	-
Undistributed expenditures - req. maint. for school facilities	-	5,300	5,300	5,300	-
Undistributed expenditures - custodial services	15,000	273,104	288,104	216,623	71,481
Total equipment	<u>25,000</u>	<u>298,904</u>	<u>323,904</u>	<u>252,423</u>	<u>71,481</u>
Facilities acquisition and construction service					
Assessment for debt service on SDA funding	32,412	-	32,412	32,412	-
Total facilities acquisition and construction service	<u>32,412</u>	<u>-</u>	<u>32,412</u>	<u>32,412</u>	<u>-</u>
Total capital outlay	<u>\$ 57,412</u>	<u>\$ 298,904</u>	<u>\$ 356,316</u>	<u>\$ 284,835</u>	<u>\$ 71,481</u>
Total expenditures	<u>\$ 10,135,407</u>	<u>\$ 34,594</u>	<u>\$ 10,170,001</u>	<u>\$ 11,914,718</u>	<u>\$ (1,744,717)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (272,447)</u>	<u>\$ (34,594)</u>	<u>\$ (307,041)</u>	<u>\$ 455,174</u>	<u>\$ 762,215</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	-	(57,288)	(57,288)	(57,288)	-
Capital reserve - transfer to debt service	(129,693)	-	(129,693)	(129,693)	-
Total other financing sources (uses)	<u>(129,693)</u>	<u>(57,288)</u>	<u>(186,981)</u>	<u>(186,981)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(402,140)	(91,882)	(494,022)	268,193	762,215

See independent auditors' report.

**DELAWARE 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		
Fund balances, July 1	\$ 6,847,440	\$ -	\$ 6,847,440	\$ 6,847,440	\$ -
Fund balances, June 30	<u>\$ 6,445,300</u>	<u>\$ (91,882)</u>	<u>\$ 6,353,418</u>	<u>\$ 7,115,633</u>	<u>\$ 762,215</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (26,037)	\$ -	\$ (26,037)	\$ (26,037)	\$ -
Increase in capital reserve	-	257,280	257,280	257,280	-
Interest deposit to capital reserve	10,000	-	10,000	128,071	118,071
Withdrawal from capital reserve	(129,693)	(57,288)	(186,981)	(186,981)	-
Interest earned on emergency reserve	750	-	750	4,802	4,052
Increase in maintenance reserve	-	50,000	50,000	50,000	-
Interest earned on maintenance reserve	1,500	-	1,500	-	(1,500)
Withdrawal from maintenance reserve	(50,000)	-	(50,000)	(50,000)	-
Interest earned on unemployment compensation	-	-	-	3,180	3,180
Budgeted fund balance	<u>(208,660)</u>	<u>(341,874)</u>	<u>(550,534)</u>	<u>87,878</u>	<u>638,412</u>
Total	<u>\$ (402,140)</u>	<u>\$ (91,882)</u>	<u>\$ (494,022)</u>	<u>\$ 268,193</u>	<u>\$ 762,215</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 550,000	
Excess surplus - current year				200,000	
Capital reserve				4,968,065	
Emergency reserve				181,198	
Maintenance reserve				599,988	
Unemployment compensation				100,117	
Committed fund balance					
Year-end encumbrances				88,624	
Assigned fund balance					
Designated for subsequent year's expenditures				169,727	
Unassigned fund balance				<u>257,914</u>	
Fund balance per budgetary basis				7,115,633	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(89,343)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 7,026,290</u>	

See independent auditors' report.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue 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	\$ -	\$ 18,407	\$ 18,407	\$ 32,455	\$ 14,048
State sources	-	14,930	14,930	14,930	-
Federal sources	500,837	(7,621)	493,216	309,825	(183,391)
Total revenues	<u>\$ 500,837</u>	<u>\$ 25,716</u>	<u>\$ 526,553</u>	<u>\$ 357,210</u>	<u>\$ (169,343)</u>
Expenditures					
Instruction					
Salaries of Teachers	\$ 42,000	\$ -	\$ 42,000	\$ 26,271	\$ 15,729
Other salaries - aides	2,850	-	2,850	-	2,850
Purchased professional and technical services	5,732	-	5,732	5,732	-
Other purchased services	74,781	(69,178)	5,603	5,215	388
Supplies	181,745	(35,573)	146,172	87,344	58,828
Total	<u>307,108</u>	<u>(104,751)</u>	<u>202,357</u>	<u>124,562</u>	<u>77,795</u>
Support services					
Tuition	-	73,613	73,613	73,613	-
Employee benefits	4,085	(1,025)	3,060	1,302	1,758
Purchased professional and technical services	120,252	-	120,252	47,802	72,450
Other purchased services	11,700	(11,415)	285	285	-
Supplies	43,998	5,423	49,421	30,872	18,549
Student activities	-	25,716	25,716	25,716	-
Total	<u>180,035</u>	<u>92,312</u>	<u>272,347</u>	<u>179,590</u>	<u>92,757</u>
Capital outlay					
Instructional equipment	13,694	38,155	51,849	51,849	-
Total expenditures	<u>\$ 500,837</u>	<u>\$ 25,716</u>	<u>\$ 526,553</u>	<u>\$ 356,001</u>	<u>\$ 170,552</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 1,209	\$ 1,209
Fund balances, July 1	<u>29,727</u>	<u>-</u>	<u>29,727</u>	<u>29,727</u>	<u>-</u>
Fund balances, June 30	<u>\$ 29,727</u>	<u>\$ -</u>	<u>\$ 29,727</u>	<u>\$ 30,936</u>	<u>\$ 1,209</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 707	
Student activities				30,229	
Fund balance per budgetary basis				<u>\$ 30,936</u>	

See independent auditors' report.

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

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 12,369,892	\$ 357,210
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	-	4,485
Outstanding encumbrances - current year	-	(39,823)
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	95,539	-
State aid receivable current year	(89,343)	-
Total revenues (GAAP basis)	<u>\$ 12,376,088</u>	<u>\$ 321,872</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,914,718	\$ 356,001
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Outstanding encumbrances - prior year	-	4,485
Outstanding encumbrances - current year	-	(39,823)
Total expenditures (GAAP basis)	<u>\$ 11,914,718</u>	<u>\$ 320,663</u>

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**



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

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

	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	0.0121027105%	\$ 2,367,389	\$ 1,087,006	217.79%	52.08%
2015	0.0114863728%	2,669,455	996,564	267.87%	47.93%
2016	0.9907520800%	2,934,323	N/A	N/A	40.14%
2017	0.0076679103%	1,784,967	549,574	324.79%	48.10%
2018	0.0088460900%	1,741,751	631,819	275.67%	53.60%
2019	0.0090083798%	1,623,173	616,230	263.40%	56.27%
2020	0.0082257906%	1,341,411	590,469	227.18%	58.32%
2021	0.0084523635%	1,001,309	611,504	163.75%	70.33%
2022	0.0082973843%	1,252,190	628,156	199.34%	62.91%
2023	N/A	N/A	654,710	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2014	\$ 93,934	\$ (93,934)	\$ -	\$ 1,087,006	8.64%
2015	99,773	(99,773)	-	996,564	10.01%
2016	102,237	(102,237)	-	N/A	N/A
2017	89,748	(89,748)	-	549,574	16.33%
2018	71,035	(71,035)	-	631,819	11.24%
2019	87,990	(87,990)	-	616,230	14.28%
2020	87,625	(87,625)	-	590,469	14.84%
2021	89,986	(89,986)	-	611,504	14.72%
2022	98,987	(98,987)	-	628,156	15.76%
2023	104,634	(104,634)	-	654,710	15.98%

N/A = Information not available

See independent auditors' report.

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

	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 as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	0.00%	\$ -	\$ 20,866,554	\$ 20,866,554	\$ 3,808,662	0.00%	33.64%
2015	0.00%	-	23,838,298	23,838,298	3,859,796	0.00%	28.71%
2016	0.00%	-	29,440,467	29,440,467	N/A	0.00%	22.33%
2017	0.00%	-	24,632,861	24,632,861	3,443,374	0.00%	25.41%
2018	0.00%	-	21,965,861	21,965,861	3,527,750	0.00%	26.49%
2019	0.00%	-	20,296,192	20,296,192	3,643,352	0.00%	26.95%
2020	0.00%	-	21,949,254	21,949,254	3,873,942	0.00%	24.60%
2021	0.00%	-	16,546,646	16,546,646	4,018,408	0.00%	35.52%
2022	0.00%	-	17,715,657	17,715,657	4,170,952	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	4,274,859	N/A	N/A

N/A = Information not available

See independent auditors' report.

**DELAWARE 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	\$ 435,966	\$ (435,966)	-	\$ 3,808,662	11.45%
2015	527,611	(527,611)	-	3,859,796	13.67%
2016	656,417	(656,417)	-	N/A	N/A
2017	410,941	(410,941)	-	3,443,374	11.93%
2018	520,812	(520,812)	-	3,527,750	14.76%
2019	664,048	(664,048)	-	3,643,352	18.23%
2020	664,946	(664,946)	-	3,873,942	17.16%
2021	775,331	(775,331)	-	4,018,408	19.29%
2022	1,008,632	(1,008,632)	-	4,170,952	24.18%
2023	1,437,064	(1,437,064)	-	4,274,859	33.62%

N/A = Information not available

See independent auditors' report.

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

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

	Proportionate share of other postemployment employee benefits liability (asset)				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	Total			
	Percentage	Value	proportion				
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%	\$ -	\$ 22,493,672	\$ 22,493,672	\$ 3,992,948	0.00%	0.00%
2018	0.00%	-	18,665,700	18,665,700	4,159,569	0.00%	0.00%
2019	0.00%	-	17,013,234	17,013,234	4,259,582	0.00%	0.00%
2020	0.00%	-	27,001,119	27,001,119	4,464,411	0.00%	0.00%
2021	0.00%	-	23,556,358	23,556,358	4,629,912	0.00%	0.00%
2022	0.00%	-	19,965,309	19,965,309	4,799,108	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.

**DELAWARE 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 2021. 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.

**DELAWARE 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	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title II A	Total
Revenues						
Local sources	\$ 32,455	\$ -	\$ -	\$ -	\$ -	\$ 32,455
State sources	14,930	-	-	-	-	14,930
Federal sources	188,215	97,992	6,671	11,732	5,215	309,825
Total revenues	<u>\$ 235,600</u>	<u>\$ 97,992</u>	<u>\$ 6,671</u>	<u>\$ 11,732</u>	<u>\$ 5,215</u>	<u>\$ 357,210</u>
Expenditures						
Instruction						
Salaries	\$ 26,271	\$ -	\$ -	\$ -	\$ -	\$ 26,271
Purchased professional and technical services	-	-	-	5,732	-	5,732
Other purchased services	-	-	-	-	5,215	5,215
Supplies	75,831	4,094	1,419	6,000	-	87,344
Total	<u>102,102</u>	<u>4,094</u>	<u>1,419</u>	<u>11,732</u>	<u>5,215</u>	<u>124,562</u>
Support services						
Tuition	-	73,613	-	-	-	73,613
Employee benefits	1,302	-	-	-	-	1,302
Purchased professional and technical services	22,550	20,000	5,252	-	-	47,802
Other purchased services	-	285	-	-	-	285
Supplies	30,872	-	-	-	-	30,872
Student activities	25,716	-	-	-	-	25,716
Total	<u>80,440</u>	<u>93,898</u>	<u>5,252</u>	<u>-</u>	<u>-</u>	<u>179,590</u>
Capital outlay						
Equipment	51,849	-	-	-	-	51,849
Total expenditures	<u>\$ 234,391</u>	<u>\$ 97,992</u>	<u>\$ 6,671</u>	<u>\$ 11,732</u>	<u>\$ 5,215</u>	<u>\$ 356,001</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 1,209	\$ -	\$ -	\$ -	\$ -	\$ 1,209
Fund balances, July 1	29,727	-	-	-	-	29,727
Fund balances, June 30	<u>\$ 30,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,936</u>

See independent auditors' report.

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

	Total Brought Forward	ESSA Title III	CRRSA ESSER II	CRRSA Learning Accelerated	CARES	CRRSA Mental Health	Total Carried Forward
<b>Revenues</b>							
Local sources	\$ 31,866	\$ 589	\$ -	\$ -	\$ -	\$ -	\$ 32,455
State sources	14,930	-	-	-	-	-	14,930
Federal sources	130,727	-	4,690	7,109	689	45,000	188,215
<b>Total revenues</b>	<u>\$ 177,523</u>	<u>\$ 589</u>	<u>\$ 4,690</u>	<u>\$ 7,109</u>	<u>\$ 689</u>	<u>\$ 45,000</u>	<u>\$ 235,600</u>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ 26,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,271
Purchased professional and technical services	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-
Supplies	63,252	91	4,690	7,109	689	-	75,831
<b>Total</b>	<u>89,523</u>	<u>91</u>	<u>4,690</u>	<u>7,109</u>	<u>689</u>	<u>-</u>	<u>102,102</u>
<b>Support services</b>							
Tuition	-	-	-	-	-	-	-
Employee benefits	1,302	-	-	-	-	-	1,302
Purchased professional and technical services	2,550	-	-	-	-	20,000	22,550
Other purchased services	-	-	-	-	-	-	-
Supplies	5,374	498	-	-	-	25,000	30,872
Student activities	25,716	-	-	-	-	-	25,716
<b>Total</b>	<u>34,942</u>	<u>498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>80,440</u>
<b>Capital outlay</b>							
Equipment	51,849	-	-	-	-	-	51,849
<b>Total expenditures</b>	<u>\$ 176,314</u>	<u>\$ 589</u>	<u>\$ 4,690</u>	<u>\$ 7,109</u>	<u>\$ 689</u>	<u>\$ 45,000</u>	<u>\$ 234,391</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 1,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,209
Fund balances, July 1	29,727	-	-	-	-	-	29,727
Fund balances, June 30	<u>\$ 30,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,936</u>

See independent auditors' report.

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

	Total Brought Forward	ARP ESSER III	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	ARP NJTSS Mental Health	Total Carried Forward
<b>Revenues</b>							
Local sources	\$ 31,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,866
State sources	14,930	-	-	-	-	-	14,930
Federal sources	41,245	35,691	14,941	32,387	2,823	3,640	130,727
<b>Total revenues</b>	<u>\$ 88,041</u>	<u>\$ 35,691</u>	<u>\$ 14,941</u>	<u>\$ 32,387</u>	<u>\$ 2,823</u>	<u>\$ 3,640</u>	<u>\$ 177,523</u>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ -	\$ 7,361	\$ -	\$ 18,910	\$ -	\$ -	\$ 26,271
Purchased professional and technical services	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-
Supplies	11,044	27,153	12,391	12,175	489	-	63,252
<b>Total</b>	<u>11,044</u>	<u>34,514</u>	<u>12,391</u>	<u>31,085</u>	<u>489</u>	<u>-</u>	<u>89,523</u>
<b>Support services</b>							
Tuition	-	-	-	-	-	-	-
Employee benefits	-	-	-	1,302	-	-	1,302
Purchased professional and technical services	-	-	2,550	-	-	-	2,550
Other purchased services	-	-	-	-	-	-	-
Supplies	557	1,177	-	-	-	3,640	5,374
Student activities	25,716	-	-	-	-	-	25,716
<b>Total</b>	<u>26,273</u>	<u>1,177</u>	<u>2,550</u>	<u>1,302</u>	<u>-</u>	<u>3,640</u>	<u>34,942</u>
<b>Capital outlay</b>							
Equipment	49,515	-	-	-	2,334	-	51,849
<b>Total expenditures</b>	<u>\$ 86,832</u>	<u>\$ 35,691</u>	<u>\$ 14,941</u>	<u>\$ 32,387</u>	<u>\$ 2,823</u>	<u>\$ 3,640</u>	<u>\$ 176,314</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 1,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,209
Fund balances, July 1	29,727	-	-	-	-	-	29,727
Fund balances, June 30	<u>\$ 30,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,936</u>

See independent auditors' report.

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

	School Climate Change	Small Rural School Achievement	SDA Emergent And Capital Maintenance Needs	Local Grants	Scholarships	Student Activities	Total Carried Forward
Revenues							
Local sources	\$ -	\$ -	\$ -	\$ 4,941	\$ 21	\$ 26,904	\$ 31,866
State sources	6,660	-	8,270	-	-	-	14,930
Federal sources	-	41,245	-	-	-	-	41,245
Total revenues	<u>\$ 6,660</u>	<u>\$ 41,245</u>	<u>\$ 8,270</u>	<u>\$ 4,941</u>	<u>\$ 21</u>	<u>\$ 26,904</u>	<u>\$ 88,041</u>
Expenditures							
Instruction							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-
Supplies	6,660	-	-	4,384	-	-	11,044
Total	<u>6,660</u>	<u>-</u>	<u>-</u>	<u>4,384</u>	<u>-</u>	<u>-</u>	<u>11,044</u>
Support services							
Tuition	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-
Supplies	-	-	-	557	-	-	557
Student activities	-	-	-	-	50	25,666	25,716
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>557</u>	<u>50</u>	<u>25,666</u>	<u>26,273</u>
Capital outlay							
Equipment	-	41,245	8,270	-	-	-	49,515
Total expenditures	<u>\$ 6,660</u>	<u>\$ 41,245</u>	<u>\$ 8,270</u>	<u>\$ 4,941</u>	<u>\$ 50</u>	<u>\$ 25,666</u>	<u>\$ 86,832</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (29)	\$ 1,238	\$ 1,209
Fund balances, July 1	-	-	-	-	736	28,991	29,727
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707</u>	<u>\$ 30,229</u>	<u>\$ 30,936</u>

See independent auditors' report.

## **CAPITAL PROJECTS FUND**

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

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2023**

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/23
			Prior Years	Current Year	
Improvement to district facilities	12/10/2019	\$ 2,820,000	\$ 2,414,412	\$ 115,634	\$ 289,954
Improvement to district facilities - repair and replace sections of the roof	11/8/2022	1,350,000	-	60,515	1,289,485
			\$ 2,414,412	\$ 176,149	\$ 1,579,439

See independent auditors' report.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

Expenditures	
Professional services	\$ 62,891
Construction services	113,258
Total expenditures	<u>176,149</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(176,149)
Fund balance - beginning of year	<u>405,588</u>
Fund balance - ending of year	<u>\$ 229,439</u>

See independent auditors' report.



**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status -**  
**Budgetary Basis**  
**Improvement to District Facilities**  
**For the Fiscal Year Ended June 30, 2023**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - proceeds from bond issuance	\$ 2,820,000	\$ -	\$ 2,820,000	\$ 2,820,000
Total revenues	<u>2,820,000</u>	<u>-</u>	<u>2,820,000</u>	<u>2,820,000</u>
Expenditures and other financing uses				
Other purchased professional services	177,575	2,376	179,951	420,000
Construction services	2,236,837	113,258	2,350,095	2,400,000
Total expenditures	<u>2,414,412</u>	<u>115,634</u>	<u>2,530,046</u>	<u>2,820,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 405,588</u>	<u>\$ (115,634)</u>	<u>\$ 289,954</u>	<u>\$ -</u>

Additional Project Information

Project number	1040-040-20-1000
Bonds authorization date	12/10/2019
Bonds authorized	\$ 2,820,000
Bonds issued	-
Original authorized cost	2,820,000
Increase in authorized cost	-
Revised authorized cost	2,820,000
Percentage completion	89.72%

See independent auditors' report.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status -**  
**Budgetary Basis**  
**Improvement to District Facilities - Remove and Replace Sections of the Roof**  
**For the Fiscal Year Ended June 30, 2023**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - debt authorized	\$ -	\$ -	\$ -	\$ 1,350,000
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350,000</u>
Expenditures and other financing uses				
Other purchased professional services	-	60,515	60,515	195,000
Construction services	-	-	-	1,155,000
Total expenditures	<u>-</u>	<u>60,515</u>	<u>60,515</u>	<u>1,350,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (60,515)</u>	<u>\$ (60,515)</u>	<u>\$ -</u>

Additional Project Information

Project number	1040-040-22-1000
Bonds authorization date	11/8/2022
Bonds authorized	\$ 1,350,000
Bonds issued	-
Original authorized cost	1,350,000
Increase in authorized cost	-
Revised authorized cost	1,350,000
Percentage completion	4.48%

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.

**DELAWARE 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					
School bonds, 2020 series	03/01/20	\$ 2,820,000	03/01/24	\$ 170,000	1.50%	\$ 2,615,000	\$ -	\$ 165,000	\$ 2,450,000
			03/01/25	180,000	1.50%	-	-	-	-
			03/01/26	185,000	1.50%	-	-	-	-
			03/01/27	190,000	1.50%	-	-	-	-
			03/01/28	195,000	1.75%	-	-	-	-
			03/01/29	200,000	1.75%	-	-	-	-
			03/01/30	205,000	2.00%	-	-	-	-
			03/01/31	210,000	2.00%	-	-	-	-
			03/01/32	220,000	2.00%	-	-	-	-
			03/01/33	225,000	2.00%	-	-	-	-
			03/01/34	230,000	2.00%	-	-	-	-
			03/01/35	240,000	2.00%	-	-	-	-
								<u>\$ 2,615,000</u>	<u>\$ -</u>

See independent auditors' report.

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

Description	Interest Rate	Date of Lease	Amount of Original Issue	Balance 07/01/22	Issued	Retired	Balance 06/30/23
Chromebooks	5.042%	12/15/2020	\$ 134,207	\$ 44,819	\$ -	\$ 44,819	\$ -
HP Elitebooks	7.880%	3/1/2021	135,600	43,980	-	43,980	-
Xerox Copiers	2.920%	5/1/2022	35,412	34,316	-	6,709	27,607
				<u>\$ 123,115</u>	<u>\$ -</u>	<u>\$ 95,508</u>	<u>\$ 27,607</u>

See independent auditors' report.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Debt Service 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	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -
State Type II Aid	71,963	-	71,963	71,963	-
Total revenues	<u>81,963</u>	<u>-</u>	<u>81,963</u>	<u>81,963</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	165,000	-	165,000	165,000	-
Interest	46,656	-	46,656	46,656	-
Total expenditures	<u>211,656</u>	<u>-</u>	<u>211,656</u>	<u>211,656</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(129,693)	-	(129,693)	(129,693)	-
Other financing sources (uses)					
Transfers from capital reserve	129,693	-	129,693	129,693	-
Total other financing sources (uses)	<u>129,693</u>	<u>-</u>	<u>129,693</u>	<u>129,693</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

See independent auditors' report.

**STATISTICAL SECTION**

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

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



**DELAWARE 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	\$ 5,496,804	\$ 5,483,699	\$ 6,147,946	\$ 6,373,507	\$ 6,452,186	\$ 6,579,574	\$ 5,665,939	\$ 6,875,505	\$ 6,926,789	\$ 6,952,956
Restricted	1,660,770	2,663,077	2,072,080	2,843,299	3,786,910	4,611,088	6,582,940	5,762,451	6,078,333	6,109,745
Unrestricted	963,253	(2,303,030)	(2,021,402)	(2,276,137)	(2,140,496)	(1,949,146)	(1,651,841)	(1,233,191)	(542,735)	(380,318)
Total governmental activities	\$ 8,120,827	\$ 5,843,746	\$ 6,198,624	\$ 6,940,669	\$ 8,098,600	\$ 9,241,516	\$ 10,597,038	\$ 11,404,765	\$ 12,462,387	\$ 12,682,383
Business-type activities										
Net investment in capital assets	\$ 17,471	\$ 9,054	\$ 637	\$ -	\$ -	\$ 1,724	\$ 1,574	\$ 1,424	\$ 1,274	\$ 3,119
Unrestricted	44,678	33,030	21,063	10,628	12,958	16,569	5,262	12,124	59,484	152,177
Total business-type activities	\$ 62,149	\$ 42,084	\$ 21,700	\$ 10,628	\$ 12,958	\$ 18,293	\$ 6,836	\$ 13,548	\$ 60,758	\$ 155,296
District-wide										
Net investment in capital assets	\$ 5,514,275	\$ 5,492,753	\$ 6,148,583	\$ 6,373,507	\$ 6,452,186	\$ 6,581,298	\$ 5,667,513	\$ 6,876,929	\$ 6,928,063	\$ 6,956,075
Restricted	1,660,770	2,663,077	2,072,080	2,843,299	3,786,910	4,611,088	6,582,940	5,762,451	6,078,333	6,109,745
Unrestricted	1,007,931	(2,270,000)	(2,000,339)	(2,265,509)	(2,127,538)	(1,932,577)	(1,646,579)	(1,221,067)	(483,251)	(228,141)
Total district-wide	\$ 8,182,976	\$ 5,885,830	\$ 6,220,324	\$ 6,951,297	\$ 8,111,558	\$ 9,259,809	\$ 10,603,874	\$ 11,418,313	\$ 12,523,145	\$ 12,837,679

\*

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

\* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,610,264	\$ 3,873,541	\$ 4,109,371	\$ 5,939,544	\$ 6,395,199	\$ 5,881,420	\$ 5,469,777	\$ 6,991,361	\$ 6,226,768	\$ 6,071,407
Special education	1,255,885	1,315,217	1,369,853	1,417,839	1,371,681	1,441,043	1,246,372	1,524,652	1,661,750	1,583,707
Other special education	271,614	235,204	261,282	307,397	348,340	327,470	316,394	370,777	339,834	366,695
Other instruction	117,193	102,928	137,040	101,586	255,588	225,932	270,191	103,172	207,215	131,322
Support services										
Tuition	217,694	150,925	193,850	270,350	239,899	233,092	240,978	176,213	166,756	243,554
Student & instruction related services	1,425,450	1,749,006	1,503,586	1,492,196	1,630,322	1,584,472	1,728,052	1,880,309	1,721,711	2,003,538
General & business administrative services	726,632	865,452	705,619	959,197	928,664	902,091	703,742	729,128	697,846	725,668
School administration	56,447	-	62,135	130,321	141,030	133,910	129,154	146,004	168,956	166,979
Plant operations & maintenance	1,023,246	914,316	950,577	735,182	835,701	832,754	952,823	1,044,869	1,064,798	1,166,166
Pupil transportation	489,737	435,242	410,373	407,802	394,856	425,869	443,576	406,060	489,660	587,153
Capital outlay	679,898	(57,232)	214,237	-	-	-	-	-	-	-
Interest on long-term debt	130,825	121,617	113,329	124,552	133,232	84,828	87,045	87,036	86,105	104,708
Unallocated depreciation	26,549	26,549	26,549	-	-	-	-	-	-	-
Total governmental activities expenses	10,031,434	9,732,765	10,057,801	11,885,966	12,674,512	12,072,881	11,588,104	13,459,581	12,831,399	13,150,897
Business-type activities										
Food services	92,303	113,979	101,005	112,976	109,601	106,325	100,954	90,816	176,258	134,199
Total business-type activities	92,303	113,979	101,005	112,976	109,601	106,325	100,954	90,816	176,258	134,199
Total district expenses	\$ 10,123,737	\$ 9,846,744	\$ 10,158,806	\$ 11,998,942	\$ 12,784,113	\$ 12,179,206	\$ 11,689,058	\$ 13,550,397	\$ 13,007,657	\$ 13,285,096

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services	\$ 40,133	\$ 49,800	\$ 63,000	\$ 116,667	\$ 153,180	\$ 149,556	\$ 152,956	\$ 48,726	\$ 157,449	\$ 150,092
Operating grants & contributions	435,294	432,874	432,888	148,360	164,616	163,972	138,513	220,518	261,388	294,968
Total governmental activities	<u>475,427</u>	<u>482,674</u>	<u>495,888</u>	<u>265,027</u>	<u>317,796</u>	<u>313,528</u>	<u>291,469</u>	<u>269,244</u>	<u>418,837</u>	<u>445,060</u>
Business-type activities										
Charges for services										
Food service	86,531	76,649	72,704	75,623	84,476	85,475	54,434	526	17,719	104,327
Operating grants & contributions	18,903	17,189	18,207	26,281	27,455	26,185	25,063	97,002	205,749	67,022
Total business-type activities	<u>105,434</u>	<u>93,838</u>	<u>90,911</u>	<u>101,904</u>	<u>111,931</u>	<u>111,660</u>	<u>79,497</u>	<u>97,528</u>	<u>223,468</u>	<u>171,349</u>
Total district-wide program revenues	<u>\$ 580,861</u>	<u>\$ 576,512</u>	<u>\$ 586,799</u>	<u>\$ 366,931</u>	<u>\$ 429,727</u>	<u>\$ 425,188</u>	<u>\$ 370,966</u>	<u>\$ 366,772</u>	<u>\$ 642,305</u>	<u>\$ 616,409</u>
Net (expense) revenues										
Governmental activities	\$ (9,556,007)	\$ (9,250,091)	\$ (9,561,913)	\$ (11,620,939)	\$ (12,356,716)	\$ (11,759,353)	\$ (11,296,635)	\$ (13,190,337)	\$ (12,412,562)	\$ (12,705,837)
Business-type activities	13,131	(20,141)	(10,094)	(11,072)	2,330	5,335	(21,457)	6,712	47,210	37,150
Total district-wide net expenses	<u>\$ (9,542,876)</u>	<u>\$ (9,270,232)</u>	<u>\$ (9,572,007)</u>	<u>\$ (11,632,011)</u>	<u>\$ (12,354,386)</u>	<u>\$ (11,754,018)</u>	<u>\$ (11,318,092)</u>	<u>\$ (13,183,625)</u>	<u>\$ (12,365,352)</u>	<u>\$ (12,668,687)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	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	\$ 7,185,000	\$ 7,185,000	\$ 7,328,700	\$ 7,554,774	\$ 7,792,127	\$ 7,994,723	\$ 8,254,617	\$ 8,419,709	\$ 8,588,103	\$ 8,759,865
Taxes levied for debt service	510,802	320,575	527,288	538,725	551,375	547,537	551,800	330,209	151,191	10,000
Federal and State aid not restricted	1,942,680	1,729,346	1,874,340	4,381,767	5,113,504	4,273,176	3,680,080	5,141,442	4,508,696	3,948,585
Investment earnings	3,137	1,993	2,049	2,193	7,528	46,488	39,431	16,722	18,132	259,936
Miscellaneous income	4,115	82,382	30,271	43,083	50,113	41,917	11,668	89,982	66,247	4,735
Transfers in (out)	537,410	(78,671)	154,144	-	-	-	(10,000)	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	(1,572)	-	-	(3,797)	(57,288)
Total governmental activities	<u>10,183,144</u>	<u>9,240,625</u>	<u>9,916,792</u>	<u>12,520,542</u>	<u>13,514,647</u>	<u>12,902,269</u>	<u>12,527,596</u>	<u>13,998,064</u>	<u>13,328,572</u>	<u>12,925,833</u>
Business-type activities										
Miscellaneous income	-	74	15	-	-	-	-	-	-	100
Transfers	-	-	(224)	-	-	-	10,000	-	-	57,288
Total business-type activities	<u>-</u>	<u>74</u>	<u>(209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>57,388</u>
Total district-wide	<u>\$ 10,183,144</u>	<u>\$ 9,240,699</u>	<u>\$ 9,916,583</u>	<u>\$ 12,520,542</u>	<u>\$ 13,514,647</u>	<u>\$ 12,902,269</u>	<u>\$ 12,537,596</u>	<u>\$ 13,998,064</u>	<u>\$ 13,328,572</u>	<u>\$ 12,983,221</u>
Change in net position										
Governmental activities	\$ 627,137	\$ (9,466)	\$ 354,879	\$ 899,603	\$ 1,157,931	\$ 1,142,916	\$ 1,230,961	\$ 807,727	\$ 916,010	\$ 219,996
Business-type activities	13,131	(20,067)	(10,303)	(11,072)	2,330	5,335	(11,457)	6,712	47,210	94,538
Total district	<u>\$ 640,268</u>	<u>\$ (29,533)</u>	<u>\$ 344,576</u>	<u>\$ 888,531</u>	<u>\$ 1,160,261</u>	<u>\$ 1,148,251</u>	<u>\$ 1,219,504</u>	<u>\$ 814,439</u>	<u>\$ 963,220</u>	<u>\$ 314,534</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 1,639,568	\$ 1,767,689	\$ 1,936,326	\$ 2,892,087	\$ 3,907,297	\$ 4,721,322	\$ 5,023,828	\$ 5,369,090	\$ 6,343,016	\$ 6,599,368
Committed	21,202	70,092	17,295	9,186	31,085	25,812	151,477	114,843	26,037	88,624
Assigned	-	-	-	60,552	-	15,353	66,669	-	58,660	169,727
Unassigned	151,063	213,655	201,902	144,318	157,637	212,857	146,635	356,912	324,188	225,859
Total general fund	<u>\$ 1,811,833</u>	<u>\$ 2,051,436</u>	<u>\$ 2,155,523</u>	<u>\$ 3,106,143</u>	<u>\$ 4,096,019</u>	<u>\$ 4,975,344</u>	<u>\$ 5,388,609</u>	<u>\$ 5,840,845</u>	<u>\$ 6,751,901</u>	<u>\$ 7,083,578</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,657	\$ 29,549	\$ 29,727	\$ 30,936
Capital projects fund	825,296	20,645	-	17,593	17,593	17,593	829,970	350,920	324,310	71,341
Committed, reported in										
Capital projects fund	-	-	-	-	-	-	905,432	311,611	81,278	158,098
Assigned, reported in										
Debt service fund	-	-	1	3,863	3,863	-	-	-	2	2
Total all other governmental funds	<u>\$ 825,296</u>	<u>\$ 20,645</u>	<u>\$ 1</u>	<u>\$ 21,456</u>	<u>\$ 21,456</u>	<u>\$ 17,593</u>	<u>\$ 1,764,059</u>	<u>\$ 692,080</u>	<u>\$ 435,317</u>	<u>\$ 260,377</u>
							*			

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

\* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	\$ 7,695,802	\$ 7,505,575	\$ 7,855,988	\$ 8,093,499	\$ 8,343,502	\$ 8,542,260	\$ 8,806,417	\$ 8,749,918	\$ 8,739,294	\$ 8,769,865
Tuition charges	40,133	49,800	63,000	76,167	114,680	99,056	103,331	44,138	138,713	123,188
Interest earnings	3,137	1,993	2,049	2,193	7,528	46,488	39,431	16,722	18,132	259,936
Rents and royalties	-	-	-	2,500	2,500	2,500	1,625	-	-	-
Miscellaneous	4,115	82,382	30,271	81,443	87,213	93,917	60,168	99,946	85,582	37,190
State sources	2,183,400	2,008,197	2,155,633	2,169,726	2,311,578	2,450,595	2,371,898	2,753,999	3,239,372	3,315,257
Federal sources	194,574	154,023	151,595	148,000	163,516	159,972	138,013	215,142	260,789	274,487
<b>Total revenues</b>	<b>10,121,161</b>	<b>9,801,970</b>	<b>10,258,536</b>	<b>10,573,528</b>	<b>11,030,517</b>	<b>11,394,788</b>	<b>11,520,883</b>	<b>11,879,865</b>	<b>12,481,882</b>	<b>12,779,923</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	2,368,660	2,505,340	2,622,188	2,766,210	2,829,463	2,868,748	2,795,907	3,270,291	3,125,527	3,090,440
Special education instruction	862,204	887,509	907,768	712,671	624,488	752,580	675,676	721,851	875,543	833,205
Other special instruction	187,410	159,881	174,488	128,612	137,583	142,306	147,755	155,572	161,730	173,049
Other instruction	86,401	74,182	96,169	87,915	92,462	98,831	90,552	31,140	92,712	105,016
<b>Support services</b>										
Tuition	217,694	150,925	193,850	218,350	194,899	184,634	198,609	119,854	112,799	169,941
Student & inst related services	1,101,262	1,367,410	1,122,877	805,320	853,480	913,069	1,006,054	1,146,295	1,099,830	1,224,385
General administration	518,365	565,113	491,603	462,223	500,357	544,724	468,242	419,717	435,829	429,703
School administration services	39,922	-	41,100	71,038	71,857	75,156	75,793	78,866	99,723	97,233
Plant operations & maintenance	752,098	634,232	663,821	656,934	719,196	740,146	830,256	873,116	952,573	1,047,786
Pupil transportation	425,403	415,877	397,360	379,310	378,932	414,802	408,526	362,924	433,138	545,184
Employee benefits	1,503,794	1,566,922	1,614,144	1,566,821	1,686,081	1,695,990	1,705,139	1,643,576	1,466,426	1,675,532
On-behalf TPAF Pension & Social Security contribution	703,363	795,286	917,783	992,712	1,103,299	1,224,972	1,287,084	1,618,062	2,064,609	2,238,409
Capital outlay	229,588	923,766	387,061	87,707	100,141	115,584	798,797	123,635	119,043	195,135
Special revenue funds	-	-	-	148,360	164,616	163,972	138,513	224,217	279,946	320,663
Capital projects fund	-	-	-	-	-	-	1,084,598	1,072,871	256,943	176,149
<b>Debt service</b>										
Principal	373,739	195,000	410,000	435,000	470,000	490,000	510,000	535,000	205,000	165,000
Interest & other charges	137,063	125,575	117,287	99,863	113,787	93,812	74,212	102,621	81,630	79,068
<b>Total expenditures</b>	<b>9,506,966</b>	<b>10,367,018</b>	<b>10,157,499</b>	<b>9,619,046</b>	<b>10,040,641</b>	<b>10,519,326</b>	<b>12,295,713</b>	<b>12,499,608</b>	<b>11,863,001</b>	<b>12,565,898</b>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ 614,195	\$ (565,048)	\$ 101,037	\$ 954,482	\$ 989,876	\$ 875,462	\$ (774,830)	\$ (619,743)	\$ 618,881	\$ 214,025
Other financing sources (uses)										
Assets acquired under lease	-	-	-	-	-	-	-	-	35,412	-
Proceeds from bond issuance	-	-	-	-	-	-	2,820,000	-	-	-
Transfers	-	-	-	-	-	-	(10,000)	-	-	(57,288)
Total other financing sources (uses)	-	-	-	-	-	-	2,810,000	-	35,412	(57,288)
Net change in fund balances	<u>\$ 614,195</u>	<u>\$ (565,048)</u>	<u>\$ 101,037</u>	<u>\$ 954,482</u>	<u>\$ 989,876</u>	<u>\$ 875,462</u>	<u>\$ 2,035,170</u>	<u>\$ (619,743)</u>	<u>\$ 654,293</u>	<u>\$ 156,737</u>
Debt service as a percentage of non-capital expenditures	5.83%	3.51%	5.70%	5.95%	6.24%	5.95%	5.35%	5.43%	2.50%	2.01%

Source: District Records

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

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 3,137	\$ 1,993	\$ 2,049	\$ 2,193	\$ 7,528	\$ 46,488	\$ 39,431	\$ 16,719	\$ 18,132	\$ 259,936
Tuition	40,133	49,800	63,000	76,167	114,680	99,056	103,331	44,138	138,713	123,188
Prior year refunds	-	-	-	32,644	40,757	16,712	1,070	55,663	29,317	-
Miscellaneous	4,115	63,541	29,171	888	143	16,805	598	646	1,730	2,235
Shared service	-	-	-	38,000	36,000	48,000	48,000	-	-	-
Facility rentals	-	-	-	2,500	2,500	2,500	1,625	2,500	2,500	2,500
E-rate	-	-	-	9,521	9,093	8,400	-	31,173	2,700	-
Donations	-	-	-	-	-	-	10,000	-	-	-
Book fees	-	-	-	30	120	-	-	-	-	-
Sale of asset	-	-	-	-	-	-	-	-	30,000	-
Annual totals	\$ 47,385	\$ 115,334	\$ 94,220	\$ 161,943	\$ 210,821	\$ 237,961	\$ 204,055	\$ 150,839	\$ 223,092	\$ 387,859

Source: District Records

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

See independent auditors' report.



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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 8,135,620	\$ 6,913,420	\$ 7,096,320	\$ 6,357,320	\$ 5,442,620	\$ 5,323,320	\$ 5,174,520	\$ 4,985,220	\$ 5,415,420	\$ 5,088,920
Residential	525,352,300	536,516,600	537,945,200	537,507,700	541,959,000	543,247,600	548,258,400	549,915,400	548,691,300	554,120,800
Farm regular	225,358,900	217,293,700	217,854,300	219,692,500	217,696,100	219,003,100	217,935,500	217,630,100	220,079,200	217,486,900
Q farm	6,516,700	6,486,910	6,454,510	6,501,710	6,414,610	6,389,910	6,355,310	6,345,210	6,327,410	6,283,810
Commercial	17,196,100	17,273,600	17,745,400	17,968,600	17,834,900	18,069,700	17,720,800	17,743,200	17,764,500	18,913,300
Industrial	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600	7,270,600
Apartment	939,500	939,500	939,500	939,500	939,500	939,500	961,300	961,300	961,300	2,589,600
<b>Total assessed value</b>	<b>790,769,720</b>	<b>792,694,330</b>	<b>795,305,830</b>	<b>796,237,930</b>	<b>797,557,330</b>	<b>800,243,730</b>	<b>803,676,430</b>	<b>804,851,030</b>	<b>806,509,730</b>	<b>811,753,930</b>
Public utilities (a)	-	-	-	-	-	-	-	-	-	-
<b>Net valuation taxable</b>	<b>\$ 790,769,720</b>	<b>\$ 792,694,330</b>	<b>\$ 795,305,830</b>	<b>\$ 796,237,930</b>	<b>\$ 797,557,330</b>	<b>\$ 800,243,730</b>	<b>\$ 803,676,430</b>	<b>\$ 804,851,030</b>	<b>\$ 806,509,730</b>	<b>\$ 811,753,930</b>
Estimated actual county equalized value	\$ 821,549,020	\$ 828,840,956	\$ 880,978,900	\$ 882,054,987	\$ 872,792,000	\$ 861,310,655	\$ 876,801,691	\$ 873,035,069	\$ 932,165,661	\$ 1,034,608,629
Percentage of net valuation to estimated actual equalized value	96.25%	95.64%	90.28%	90.27%	91.38%	92.91%	91.66%	92.19%	86.52%	78.46%
<b>Total direct school tax rate (b)</b>	<b>\$ 0.97</b>	<b>\$ 0.99</b>	<b>\$ 1.02</b>	<b>\$ 1.05</b>	<b>\$ 1.07</b>	<b>\$ 1.10</b>	<b>\$ 1.09</b>	<b>\$ 1.09</b>	<b>\$ 1.09</b>	<b>\$ 1.10</b>

Source: Municipal Tax Assessor

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

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

- \* Revalued/Reassessed
- \* Limited exemptions and abatements

See independent auditors' report.

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

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General (From J-6)		Total Direct School Tax Rate		Municipality	County	
		Obligation Debt Service (b)						
2014	\$ 0.907	\$ 0.065	\$ 0.972	\$ 0.667	\$ 0.408	\$ 0.416	\$ 2.463	
2015	0.949	0.042	0.991	0.686	0.429	0.414	2.520	
2016	0.950	0.068	1.018	0.604	0.438	0.428	2.488	
2017	0.978	0.070	1.048	0.596	0.453	0.411	2.508	
2018	1.001	0.071	1.072	0.590	0.475	0.413	2.550	
2019	1.030	0.071	1.101	0.537	0.485	0.406	2.529	
2020	1.021	0.068	1.089	0.597	0.485	0.412	2.583	
2021	1.045	0.041	1.086	0.610	0.495	0.409	2.600	
2022	1.069	0.019	1.088	0.555	0.505	0.436	2.584	
2023	1.100	0.001	1.101	0.571	0.525	0.481	2.678	

Sources: Municipal Tax Collector

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

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

\* Revalued/Reassessed

See independent auditors' report.

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

	2023			2014		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Texas Eastern Transmission Corp.	\$ 3,426,400	1	0.42%	\$ 3,426,400	1	0.43%
Trap Rock Industries, Inc.	3,173,800	2	0.39%	3,173,800	2	0.40%
Holly Farm Partners	-		0.00%	2,720,900	3	0.34%
Sentinel Self Storage LLC	2,467,700	3	0.30%	-		0.00%
Cane Poultry Farm, Inc.	2,464,400	4	0.30%	2,442,700	4	0.31%
Individual Property Owner	2,222,000	5	0.27%	2,222,000	5	0.28%
Individual Property Owner	2,092,900	6	0.26%	1,748,500	9	0.22%
Individual Property Owner	1,921,900	7	0.24%	1,921,900	6	0.24%
Individual Property Owner	1,902,400	8	0.23%	-		0.00%
Individual Property Owner	1,788,800	9	0.22%	1,788,800	7	0.23%
Individual Property Owner	1,777,700	10	0.22%	1,768,000	8	0.22%
Tulach Mhoir LLC	-		0.00%	1,711,300	10	0.22%
	<u>\$ 23,238,000</u>		<u>2.85%</u>	<u>\$ 22,924,300</u>		<u>2.89%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2014	\$ 7,695,802	\$ 7,695,802	100.00%
2015	7,505,575	7,505,575	100.00%
2016	7,855,988	7,855,988	100.00%
2017	8,093,499	8,093,499	100.00%
2018	8,343,502	8,343,502	100.00%
2019	8,542,260	8,542,260	100.00%
2020	8,806,417	8,806,417	100.00%
2021	8,749,918	8,749,918	100.00%
2022	8,739,294	8,739,294	100.00%
2023	8,769,865	8,769,865	100.00%

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

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

See independent auditors' report.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2014	\$ 3,045,000	\$ -	\$ -	\$ -	\$ -	\$ 3,045,000	0.89%	\$ 673
2015	3,000,000	-	-	-	-	3,000,000	0.84%	664
2016	2,440,000	-	-	-	-	2,440,000	0.67%	543
2017	2,005,000	-	-	-	-	2,005,000	0.54%	449
2018	1,535,000	-	-	-	-	1,535,000	0.40%	344
2019	1,045,000	-	-	-	-	1,045,000	0.27%	235
2020	3,355,000	-	-	-	-	3,355,000	0.82%	756
2021	2,820,000	-	-	-	-	2,820,000	0.67%	640
2022	2,615,000	-	123,115	-	-	2,738,115	0.60%	600
2023	2,450,000	-	27,607	1,350,000	-	3,827,607	N/A	836

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

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

N/A Information is not available

See independent auditors' report.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2014	\$ 3,045,000	\$ -	\$ 3,045,000	0.39%	\$ 673
2015	3,000,000	-	3,000,000	0.38%	664
2016	2,440,000	-	2,440,000	0.31%	543
2017	2,005,000	-	2,005,000	0.25%	449
2018	1,535,000	-	1,535,000	0.19%	344
2019	1,045,000	-	1,045,000	0.13%	235
2020	3,355,000	-	3,355,000	0.42%	756
2021	2,820,000	-	2,820,000	0.35%	640
2022	2,615,000	-	2,615,000	0.32%	573
2023	2,450,000	-	2,450,000	0.30%	535

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

(a) See Exhibit J-6 for property tax data.

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

See independent auditors' report.

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

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 7,563,917	100.00%	\$ 7,563,917
Regional High School	-	9.10%	-
County general obligation debt	74,164,045	4.05%	<u>3,002,599</u>
Subtotal, overlapping debt			10,566,516
School district direct debt			<u>3,965,000</u>
Total direct and overlapping debt			<u><u>\$ 14,531,516</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
	2022      \$ 1,027,924,713
	2021                      930,248,532
	2020                      871,760,961
	\$ 2,829,934,206
Average equalized valuation of taxable property	\$ 943,311,402
Debt limit (3.0% of average equalization value) (a)	\$ 28,299,342
Total net debt applicable to limit	3,800,000
Legal debt margin	\$ 24,499,342

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 26,103,097	\$ 26,028,241	\$ 26,032,369	\$ 26,750,661	\$ 28,299,342
Total net debt applicable	1,045,000	3,355,000	2,820,000	2,615,000	3,800,000
Legal debt margin	\$ 25,058,097	\$ 22,673,241	\$ 23,212,369	\$ 24,135,661	\$ 24,499,342
Total net debt applicable to the limit as a percentage of debt limit	4.00%	12.89%	10.83%	9.78%	13.43%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 27,288,791	\$ 26,520,639	\$ 26,734,162	\$ 26,736,820	\$ 26,663,971
Total net debt applicable	3,045,000	3,000,000	2,440,000	2,005,000	1,535,000
Legal debt margin	\$ 24,243,791	\$ 23,520,639	\$ 24,294,162	\$ 24,731,820	\$ 25,128,971
Total net debt applicable to the limit as a percentage of debt limit	11.16%	11.31%	9.13%	7.50%	5.76%

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

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

See independent auditors' report.



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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	4,524	\$ 340,272,660	\$ 75,215	4.1%
2015	4,515	356,061,930	78,862	3.4%
2016	4,495	364,009,595	80,981	3.4%
2017	4,467	374,169,321	83,763	2.8%
2018	4,467	379,301,904	84,912	2.4%
2019	4,451	391,394,234	87,934	2.3%
2020	4,437	407,964,402	91,946	5.9%
2021	4,409	419,242,992	95,088	3.9%
2022	4,565	457,814,720	100,288	2.4%
2023	4,580	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.

N/A Information Not Available

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

2023

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

2014

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

See independent auditors' report.

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

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	34.0	35.0	35.0	36.5	34.0	35.6	37.5	37.7	34.8	37.0
Special education	7.0	10.0	9.0	10.0	11.7	13.3	12.8	8.6	15.6	16.3
Other special education	4.0	4.0	4.0	3.9	2.0	-	-	-	2.0	1.0
Support services										
Student and instruction related services	13.0	10.0	10.0	10.7	7.1	11.7	9.0	7.1	8.9	7.5
General administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.1	3.1
School administration services	2.0	2.0	2.0	1.0	3.1	2.1	2.1	3.6	1.0	3.6
Plant operations and maintenance	5.0	5.0	5.0	4.5	5.8	6.4	5.3	5.3	7.2	5.9
Transportation services	6.0	1.0	1.0	0.6	0.6	0.2	0.4	0.4	0.5	0.4
<b>Total</b>	<b>75.0</b>	<b>71.0</b>	<b>70.0</b>	<b>71.2</b>	<b>68.3</b>	<b>73.3</b>	<b>71.1</b>	<b>66.7</b>	<b>73.1</b>	<b>74.8</b>

Source: District Personnel Records

See independent auditors' report.

**DELAWARE 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	411	\$ 8,766,576	\$ 21,330	2.39%	48.0	1:9	408.0	424.0	-5.56%	103.92%
2015	389	9,122,677	23,452	9.95%	45.0	1:9	411.0	396.0	0.74%	96.35%
2016	404	9,243,151	22,879	-2.44%	49.0	1:8	400.2	380.8	-2.63%	95.15%
2017	388	8,996,476	23,187	1.35%	49.0	1:8	384.2	367.3	-4.00%	95.60%
2018	386	9,356,713	24,240	4.54%	44.7	1:9	389.0	370.7	1.25%	95.30%
2019	373	9,819,930	26,327	8.61%	43.5	1:9	372.9	356.0	-4.14%	95.47%
2020	376	9,828,106	26,139	-0.71%	43.1	1:9	375.4	363.3	0.67%	96.78%
2021	362	10,665,481	29,463	12.72%	46.6	1:8	364.3	351.1	-2.96%	96.38%
2022	406	11,200,385	27,587	-6.37%	46.0	1:9	399.6	378.7	9.69%	94.77%
2023	412	11,950,546	29,006	5.14%	46.1	1:9	410.3	388.6	2.68%	94.72%

Source: District Records

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

See independent auditors' report.

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

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Delaware Township Elementary</u>										
Square feet	91,575	91,575	91,575	97,575	104,893	104,893	104,893	104,893	104,893	104,893
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	410	389	379	384	364	373	378	359	369	389
<u>Garage (2013)</u>										
Square feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<u>Number of schools at June 30, 2023:</u>										
Elementary	1									
Other	1									

Source: District Facilities Office

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

N/A = Not Available

See independent auditors' report.

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

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ended</u>	<u>Amount</u>
2014	\$ 266,920
2015	173,899
2016	212,079
2017	153,166
2018	189,217
2019	213,367
2020	317,026
2021	293,345
2022	297,332
2023	311,135
Total school facilities	<u>\$ 2,427,486</u>

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

Source: District Records

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

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - School Alliance Insurance Fund		
Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 2,500
Accounts Receivable	2,500,000	2,500
Automobile Physical Damage	In Blanket Limit	1,000
Builders Risk	25,000,000	2,500
Electronic Data Processing Equipment	In Blanket Limit	2,500
Comprehensive General Liability	5,000,000	-
Automobile Liability	5,000,000	-
Employee Benefit Liability	5,000,000	1,000
Excess Liability	5,000,000	-
Crime		
Blanket Employee Dishonesty	500,000	1,000
Forgery/Theft	50,000	1,000
Theft/Disappearance/Destruction:		
Inside	50,000	1,000
Outside	50,000	1,000
Computer Fraud	50,000	1,000
Funds Transfer Fraud	50,000	1,000
School Board Legal Liability	5,000,000	5,000
Environmental Impairment Liability - ACE		
Limit of Liability		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	-
Workers' Compensation - School Alliance Insurance Fund		
(a) Statutory Benefits	Included	-
(a) Employer's Liability	5,000,000	-
Supplemental Coverage (optional)	Included	-
Public Employees' Faithful Performance Blanket Position Bond - Selective Insurance Company		
School Business Administrator	180,000	-

See independent auditors' report.

**SINGLE AUDIT SECTION**



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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delaware Township School District (the District) in the County of Hunterdon, 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 November 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



**BKC, CPAs, PC**



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

November 22, 2023  
Flemington, New Jersey



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

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major 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; 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 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 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*, 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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, 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 state program as a whole.

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

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Report on Internal Control Over Compliance

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

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

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.

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 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

November 22, 2023  
Flemington, New Jersey

**SUPPLEMENTARY INFORMATION**

**DELAWARE 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 June 30, 2022		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023		
					From	To	Deferred Rev. (Accts. Rec.)	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education															
Special Revenue Fund															
Special education cluster (IDEA)															
IDEA Basic	84.027A	H027A210100	IDEA-1040-22	\$ 84,957	07/01/21	06/30/22	\$ (78,187)	\$ -	\$ 84,957	\$ 6,770	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA Basic	84.027A	H027A220100	IDEA-1040-23	91,222	07/01/22	06/30/23	-	-	84,548	91,222	-	-	(6,674)	-	-
IDEA Preschool	84.173A	H173S220114	IDEA-1040-23	6,671	07/01/22	06/30/23	-	-	6,671	6,671	-	-	-	-	-
Total special education cluster (IDEA)							(78,187)	-	176,176	104,663	-	-	(6,674)	-	-
Title I A	84.010	S010S220030	ESSA-1040-23	11,732	07/01/22	06/30/23	-	-	2,568	11,732	-	-	(9,164)	-	-
Title II A	84.367A	S367A210029	ESSA-1040-22	3,328	07/01/21	06/30/22	(2,949)	-	3,328	379	-	-	-	-	-
Title II A	84.367A	S367A220029	ESSA-1040-23	5,223	07/01/22	06/30/23	-	-	-	4,836	-	-	(4,836)	-	-
Title IV	84.424A	S424A210031	ESSA-1040-22	10,000	07/01/21	06/30/22	(10,000)	-	10,000	-	-	-	-	-	-
COVID-19															
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-1040-23	51,737	03/13/20	09/30/23	(47,047)	-	51,737	4,690	-	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-1040-23	25,000	03/13/20	09/30/23	(17,891)	-	22,376	7,109	-	-	(2,624)	-	-
CRRSA - CARES	84.425D	S425D210027	CRRSA-1040-23	689	03/13/20	09/30/23	-	-	689	689	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-1040-23	45,000	03/13/20	09/30/23	-	-	-	45,000	-	-	(45,000)	-	-
ARP - ESSER															
ARP - ESSER	84.425U	S425U210027	ESSER-1040-24	116,276	03/13/20	09/30/24	(18,539)	-	19,199	35,691	-	-	(35,031)	-	-
Evidenced Based Comprehensive															
Beyond the School Day	84.425U	S425U210027	ESSER-1040-24	40,000	03/13/20	09/30/24	(31,043)	-	29,323	2,823	-	-	(4,543)	-	-
Evidence Based Summer	84.425U	S425U210027	ESSER-1040-24	40,000	03/13/20	09/30/24	-	-	32,386	32,387	-	-	(1)	-	-
Accelerated Learning	84.425U	S425U210027	ESSER-1040-24	50,000	03/13/20	09/30/24	-	-	8,365	14,941	-	-	(6,576)	-	-
NJTSS Mental Health	84.425U	S425U210027	ESSER-1040-24	45,000	03/13/20	09/30/24	-	-	-	3,640	-	-	(3,640)	-	-
Rural Education Achievement Program	84.358	S358A212844	S358A212844	39,983	07/01/21	06/30/22	(20,688)	-	20,688	-	-	-	-	-	-
Rural Education Achievement Program	84.358	S358A222844	S358A222844	41,245	07/01/22	06/30/23	-	-	41,245	41,245	-	-	-	-	-
Total Special Revenue Fund							(226,344)	-	418,080	309,825	-	-	(118,089)	-	-
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	9,206	10/01/21	09/30/22	1,142	-	-	1,142	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	17,907	10/01/22	09/30/23	-	-	17,907	15,528	-	-	-	2,379	-
Cash Assistance	10.555	191NJ304N1099	N/A	16,898	10/01/18	09/30/19	(3,551)	-	-	-	-	-	(3,551)	-	-
Cash Assistance	10.555	221NJ304N1099	N/A	188,196	10/01/21	09/30/22	(10,686)	-	-	-	-	-	(10,686)	-	-
Cash Assistance	10.555	231NJ304N1199	N/A	28,925	10/01/22	09/30/23	-	-	26,727	28,925	-	-	(2,198)	-	-
Total Child Nutrition Cluster							(13,095)	-	44,634	45,595	-	-	(16,435)	2,379	-
Supply Chain Assistance	10.555	231NJ304N1199	N/A	19,894	07/01/22	06/30/23	-	-	19,894	19,894	-	-	-	-	-
Total Enterprise Fund							(13,095)	-	64,528	65,489	-	-	(16,435)	2,379	-
Total Federal Awards							\$ (239,439)	\$ -	\$ 482,608	\$ 375,314	\$ -	\$ -	\$ (134,524)	\$ 2,379	\$ -

See independent auditors' report.



**DELAWARE 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		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustments/Repayments	Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	23-495-034-5120-089	\$ 267,084	07/01/22	06/30/23	\$ -	\$ -	\$ 241,310	\$ 267,084	\$ -	\$ -	\$ -	\$ -	\$ 25,774	\$ 267,084
School Choice Aid	23-495-034-5120-068	327,924	07/01/22	06/30/23	-	-	296,280	327,924	-	-	-	-	31,644	327,924
Security Aid	23-495-034-5120-084	34,010	07/01/22	06/30/23	-	-	30,728	34,010	-	-	-	-	3,282	34,010
Adjustment Aid	23-495-034-5120-085	129,444	07/01/22	06/30/23	-	-	116,953	129,444	-	-	-	-	12,491	129,444
Transportation Aid	23-495-034-5120-014	167,383	07/01/22	06/30/23	-	-	151,231	167,383	-	-	-	-	16,152	167,383
Extraordinary Aid	22-495-034-5120-044	74,182	07/01/21	06/30/22	(74,182)	-	74,182	-	-	-	-	-	-	74,182
Extraordinary Aid	23-100-034-5120-044	53,546	07/01/22	06/30/23	-	-	-	53,546	-	(53,546)	-	-	-	53,546
Non-Public Transportation Aid	23-495-034-5120-014	4,368	07/01/22	06/30/23	-	-	-	4,368	-	(4,368)	-	-	-	4,368
Non-Public Transportation Aid	22-495-034-5120-014	6,670	07/01/21	06/30/22	(6,670)	-	6,670	-	-	-	-	-	-	6,670
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	1,512,398	07/01/22	06/30/23	-	-	1,512,398	1,512,398	-	-	-	-	-	1,512,398
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	20,983	07/01/22	06/30/23	-	-	20,983	20,983	-	-	-	-	-	20,983
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001	402,815	07/01/22	06/30/23	-	-	402,815	402,815	-	-	-	-	-	402,815
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004	476	07/01/22	06/30/23	-	-	476	476	-	-	-	-	-	476
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	295,829	07/01/21	06/30/22	(14,787)	-	14,787	-	-	-	-	-	-	295,829
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	301,737	07/01/22	06/30/23	-	-	286,438	301,737	-	(15,299)	-	-	-	301,737
<b>Total General Fund</b>					<b>(95,639)</b>	<b>-</b>	<b>3,155,251</b>	<b>3,222,168</b>	<b>-</b>	<b>(73,213)</b>	<b>-</b>	<b>-</b>	<b>89,343</b>	<b>3,598,849</b>
State Department of Education														
Special Revenue Fund														
SDA Emergent & Capital Needs	23-100-034-5120-519	8,270	7/1/2022	6/30/2023	-	-	8,270	8,270	-	-	-	-	-	8,270
School Climate Change Pilot	23-WB01-G02	6,660	7/1/2022	6/30/2023	-	-	6,660	6,660	-	-	-	-	-	6,660
					-	-	14,930	14,930	-	-	-	-	-	14,930
Debt Service Fund														
Debt Service Aid-State Support	23-495-034-5120-017	71,963	07/01/22	06/30/23	-	-	71,963	71,963	-	-	-	-	-	71,963
<b>Total Debt Service Fund</b>					<b>-</b>	<b>-</b>	<b>71,963</b>	<b>71,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,963</b>
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	919	07/01/18	06/30/19	(192)	-	-	-	-	(192)	-	-	-	919
State School Lunch Program	22-100-010-3350-023	4,681	07/01/21	06/30/22	(246)	-	-	-	-	(246)	-	-	-	4,681
State School Lunch Program	23-100-010-3350-023	1,533	07/01/22	06/30/23	-	-	1,425	1,533	-	(108)	-	-	-	1,533
<b>Total Enterprise Fund</b>					<b>(438)</b>	<b>-</b>	<b>1,425</b>	<b>1,533</b>	<b>-</b>	<b>(546)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,133</b>
<b>Total State Financial Assistance</b>					<b>\$ (96,077)</b>	<b>\$ -</b>	<b>\$ 3,243,569</b>	<b>3,310,594</b>	<b>\$ -</b>	<b>\$ (73,759)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,343</b>	<b>\$ 3,692,875</b>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002							1,512,398						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							20,983						
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							402,815						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004							476						
<b>Total for State Financial Assistance - Major Program Determination</b>								<b>\$ 1,373,922</b>						

See independent auditors' report.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 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 Delaware Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,196 for the general fund and (\$35,338) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 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	\$ -	\$ 3,228,364	\$ 3,228,364
Special revenue fund	274,487	14,930	289,417
Debt service fund	-	71,963	71,963
Food service fund	65,489	1,533	67,022
Total awards and financial assistance	<u>\$ 339,976</u>	<u>\$ 3,316,790</u>	<u>\$ 3,656,766</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**

**DELAWARE 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  No

2. Were significant deficiencies identified?  Yes  No

Noncompliance material to basic financial statements noted?  Yes  No

Federal Awards Not Applicable

Internal Control Over Major Programs:

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

2. Were significant deficiencies identified?  Yes  None reported

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

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

Identification of Major Programs:

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

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

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

**DELAWARE TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 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?    Yes   X None reported

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

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

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-084</i>	<i>Security Aid</i>
<i>23-495-034-5120-085</i>	<i>Adjustment Aid</i>
<i>23-495-034-5120-068</i>	<i>School Choice Aid</i>

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

Section II - Financial Statement Findings

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

**DELAWARE 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

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



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

Status of Prior Year Findings

There were no prior year findings or questioned costs.