

**BOARD OF EDUCATION**  
**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE**  
**FINDINGS, FINANCIAL, COMPLIANCE AND PERFORMANCE**  
**For the Fiscal Year Ended June 30, 2023**

# DELAWARE TOWNSHIP SCHOOL DISTRICT

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Federal Identification Number 22-6001745



Certified Public Accountants, PC

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## Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Delaware Township School District in the County of Hunterdon for the year ended June 30, 2023, and have issued our report thereon dated November 22, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying Table of Contents.

This report is intended for the information of the Delaware Township School District's Management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink that reads "BKC, CPAs, PC".

**BKC, CPAs, PC**

A handwritten signature in black ink that reads "MH".

Michael Holk, CPA, PSA

NO. 20CS00265600

November 22, 2023  
Flemington, New Jersey

# DELAWARE TOWNSHIP SCHOOL DISTRICT

June 30, 2023

## Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Reconciler of Accounts, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

## Administrative Practices and Procedures

### Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the school district Annual Comprehensive Financial Report (ACFR). Adequacy of insurance coverage is the responsibility of the Board of Education.

### Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32,18A:13-13)

Surety bond coverage in force during the period was:

<u>Name of Employee</u>	<u>Position</u>	<u>Amount</u>
Susan Joyce	Secretary/Business Administrator	\$ 180,000

### P.L.2020,c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the School District.

The School District data certification was completed by the Chief School Administrator. The School District Chapter 44 data was submitted timely.

## Financial Planning, Accounting and Reporting

### Examination of Claims

A review of claims paid during the period under review did not indicate any material discrepancies with respect to signatures, certification or supporting documentation.

### Payroll Account

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

Payroll Account (continued)

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Employee Position Control Roster

A review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g., pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered, and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received, and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was evaluated for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

A review of classification of expenditures during the period under review did not indicate any material discrepancies with respect to proper classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any material exceptions.

Reconciler of Account's Records

Our review of the records of the Reconciler of Accounts did not disclose any exceptions.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

Elementary and Secondary Education Act (E.S.E.A.) as amended by Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

TPAF Reimbursement

Our audit procedures included a test of the reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

No reimbursement is due to the State to reimburse for the TPAF/FICA payments made by the State on-behalf of the District. The District had no employees with applicable salaries identified as being paid from federal funds.

Nonpublic State Aid

The District did not receive any Nonpublic State Aid during the fiscal year 2023.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 States:

- “A. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by Resolution of the Board of Education without public advertising for bids and bidding therefor, except that the Board of Education may adopt a Resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent possesses a qualified purchasing agent certificate pursuant to Subsection B. of Section 9 of P.L.1971, c.198 (C.40A:11-9) the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.”
- “B. Commencing in the fifth year after the year in which P.L.1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of the Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in Subsection A. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.”

N.J.S.A. 18A-4 States:

“Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by Resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.”

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 for 2022-2023.

In accordance with N.J.S.A. 18A:18A-3A and N.J.A.C. 5:34-5 et. seq. the Board of Education has appointed a “Qualified Purchasing Agent” which allows the Board of Education to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor’s opinion should be sought before a commitment is made.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

As the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Expenditures were reviewed, however, to determine whether any clear-cut violations existed.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for professional services per N.J.S.A. 18A:18A-5.

Unemployment Compensation Insurance Fund

The Board has adopted the direct reimbursement method and has established an unemployment compensation insurance fund.

School Food Service

The District was authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The District was also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations

The District was notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

We also inquired of school Management, or appropriate school food service personnel, as to whether the District's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

We inquired of Management about the emergency public health emergency procedures/practices that the District instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.



**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

School Food Service (continued)

The District utilizes a FSMC and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract does not include an operating results provision which guarantees that the food service program will breakeven.

All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the School Food Service.

Net cash resources did exceed three months average expenditures. It has been determined that continued efforts have been made to reduce the cash balance below the three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records..

USDA Food Distribution Program (food and commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Applications for free and reduced-price meals were reviewed for completeness and accuracy. The number of free and reduced-price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced-price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced-price applications were completed and available for review.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The School District did provide the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section titled Proprietary Funds, Section B of the ACFR.

Student Body Activities

Our review of the records of the student activity funds did not disclose any exceptions.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

Application for State School Aid

We evaluated the information reported in the October 15, 2022 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District workpapers with minor exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation-related contracts and purchases. No exceptions were noted in our review of transportation-related purchases of goods and services.

Facilities and Capital Assets

Our review of facilities and capital assets did not disclose any exceptions.

Testing for Lead of All Drinking Water in Educational Facilities

The School District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year Findings

Not applicable.

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Application for State School Aid Summary**  
**Schedule of Audited Enrollments - Enrollment as of October 15, 2022**

	2023 - 2024 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA Onroll		Reported on Workpapers Onroll		Errors		Sample Selected from Workpapers		Verified per Registers Onroll		Errors per Registers Onroll		Reported on ASSA as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half day preschool age 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 3	7	-	7	-	-	-	4	-	4	-	-	-	-	-	-	-
Half day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 4	12	-	12	-	-	-	5	-	5	-	-	-	-	-	-	-
Half day kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full day kindergarten	36	-	36	-	-	-	6	-	6	-	-	-	-	-	-	-
One	48	-	48	-	-	-	22	-	22	-	-	-	-	-	-	-
Two	39	-	39	-	-	-	21	-	21	-	-	-	-	-	-	-
Three	22	-	22	-	-	-	11	-	11	-	-	-	-	-	-	-
Four	32	-	32	-	-	-	16	-	16	-	-	-	-	-	-	-
Five	31	-	31	-	-	-	15	-	15	-	-	-	-	-	-	-
Six	34	-	34	-	-	-	20	-	20	-	-	-	-	-	-	-
Seven	32	-	32	-	-	-	17	-	17	-	-	-	-	-	-	-
Eight	38	-	38	-	-	-	21	-	21	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post - graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>331</u>	<u>-</u>	<u>331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158</u>	<u>-</u>	<u>158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special education - elementary	32	-	32	-	-	-	18	-	18	-	-	-	1	1	1	-
Special education - middle	26	-	26	-	-	-	11	-	11	-	-	-	2	2	2	-
Special education - high school	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>58</u>	<u>-</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
County vocational - regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County vocational - full-time post sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	<u>389</u>	<u>-</u>	<u>389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>-</u>	<u>187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
Percentage error					<u>0.00%</u>	<u>0.00%</u>						<u>0.00%</u>	<u>0.00%</u>			<u>0.00%</u>

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Application for State School Aid Summary**  
**Schedule of Audited Enrollments - Enrollment as of October 15, 2022 (continued)**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Half day preschool age 3	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 3	-	-	-	-	-	-	-	-	-	-	-	-
Half day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-
Half day kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full day kindergarten	3	2	1	2	2	-	2	2	-	2	2	-
One	1	2	(1)	2	2	-	1	1	-	1	1	-
Two	5	4	1	4	4	-	1	1	-	1	1	-
Three	1	1	-	1	1	-	1	1	-	1	1	-
Four	1	-	1	-	-	-	-	-	-	-	-	-
Five	-	1	(1)	1	-	1	-	-	-	-	-	-
Six	1	1	-	1	1	-	-	-	-	-	-	-
Seven	2	2	-	2	2	-	-	-	-	-	-	-
Eight	3	3	-	3	3	-	1	1	-	1	1	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post - graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>17</u>	<u>16</u>	<u>1</u>	<u>16</u>	<u>15</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Special education - elementary	2	4	(2)	4	3	1	-	-	-	-	-	-
Special education - middle	2	2	-	2	2	-	-	-	-	-	-	-
Special education - high school	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>4</u>	<u>6</u>	<u>(2)</u>	<u>6</u>	<u>5</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County vocational - regular	-	-	-	-	-	-	-	-	-	-	-	-
County vocational - f/t post sec.	-	-	-	-	-	-	-	-	-	-	-	-
Total	<u>21</u>	<u>22</u>	<u>(1)</u>	<u>22</u>	<u>20</u>	<u>2</u>	<u>6</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Percentage error			<u>-4.76%</u>			<u>9.09%</u>			<u>0.00%</u>			<u>0.00%</u>

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Application for State School Aid Summary**  
**Schedule of Audited Enrollments - Enrollment as of October 15, 2022 (continued)**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Full Day K	1	1	-	1	1	-
Total	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Percentage error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Sample Errors
Regular & special education without special needs in-district						
Public	207	207	-	104	104	-
AIL - Non Public	14	14	-	7	7	-
Special Education Public	45	45	-	29	29	-
Public with Special Needs	3	3	-	1	1	-
Public without Special Needs	1	1	-	-	-	-
Total	<u>270</u>	<u>270</u>	<u>-</u>	<u>141</u>	<u>141</u>	<u>-</u>
Percentage error			<u>0.00%</u>			<u>0.00%</u>

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Excess Surplus Calculation**

**SECTION 1**

2% Calculation of Excess Surplus

2022-2023 Total general fund expenditures per the ACFR, Exhibit C-1	\$11,914,718 (B)	
Increased by:		
Transfer from capital outlay to capital projects fund	-	(B1a)
Transfer from capital reserve to capital projects fund	-	(B1b)
Transfer from general fund to SRF for PreK-Regular	-	(B1b)
Transfer from general fund to SRF for PreK-Inclusion	-	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	2,238,409	(B2a)
Assets acquired under leases	<u>-</u>	(B2b)
Adjusted 2022-2023 general fund expenditures [(B)+(B1s)-(B2s)]	<u>\$ 9,676,309</u>	(B3)
2% of Adjusted 2022-2023 general fund expenditures [(B3) Times .02]	\$ 193,527	(B4)
Enter greater of (B4) or \$250,000	250,000	(B5)
Increased by: Allowable adjustment	<u>7,914</u>	(K)
Maximum unreserved/undesignated fund balance [(B5)+(K)]		<u>\$ 257,914 (M)</u>

**SECTION 2**

Total general fund-fund balances @ June 30, 2023 (Per ACFR Budgetary comparison schedule C-1)	\$ 7,115,633 (C)	
Decreased by:		
Year-end encumbrances	88,624	(C1)
Legally restricted - designated for subsequent year's expenditures	-	(C2)
Legally restricted - excess surplus - designated for subsequent year's Expenditures	550,000	(C3)
Other restricted fund balances	5,849,368	(C4)
Assigned fund balance - designated for subsequent year's expenditures	<u>169,727</u>	(C5)
Total unreserved/undesignated Fund balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 457,914 (U)</u>

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**Excess Surplus Calculation (continued)**

**SECTION 3**

Restricted fund balance - Excess Surplus [(U)-(M)] if negative enter -0- \$ 200,000 (E)

Recapitulation of Excess Surplus as of June 30, 2023

Restricted excess surplus - designated for subsequent year's expenditures	\$ 550,000 (C3)
Restricted excess surplus	<u>200,000 (E)</u>
Total [(C3) + (E)]	<u>\$ 750,000 (D)</u>

Detail of Allowable Adjustments

Impact aid	\$ - (H)
Sale and lease back	- (I)
Extraordinary aid	3,546 (J1)
Additional nonpublic transportation aid	4,368 (J2)
Total adjustments	<u>\$ 7,914 (K)</u>

Detail of Other Restricted Fund Balance

Approved unspent separate proposal	\$ -
Unspent capital outlay SGLA	-
Sale/lease - back reserve	-
Capital reserve	4,968,065
Maintenance reserve	599,988
Emergency reserve	181,198
Unemployment compensation	100,117
Other reserves	-
Other state/government mandated reserve	-
Total other restricted fund balance	<u>\$ 5,849,368 (C4)</u>

*BKC, CPAs, PC*

**BKC, CPAs, PC**

*MU*

Michael Holk, CPA, PSA  
 NO. 20CS00265600

**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

\* \* \* \* \*

Acknowledgment

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements, and this report of such conditions does not modify our report dated November 22, 2023.

Should any questions arise as to our comments, please do not hesitate to contact us.

We desire to express our appreciation for the assistance and courtesies rendered by the School Officials and employees during the course of the examination.



**BKC, CPAs, PC**



**Michael Holk, CPA, PSA**

**NO. 20CS00265600**



**DELAWARE TOWNSHIP SCHOOL DISTRICT**  
**June 30, 2023**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year audit findings/recommendations.