

**SCHOOL DISTRICT
OF**

**DELRAN
TOWNSHIP**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

Comprehensive Annual Financial Report

of the

Delran Township Board of Education

Delran, New Jersey

For the Fiscal Year Ended June 30, 2014

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

DELRAN TOWNSHIP SCHOOL DISTRICT

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Introductory Section

DELRAN TOWNSHIP BOARD OF EDUCATION
52 Hartford Road
Delran, New Jersey 08075

Dr. Patricia Camp, Superintendent
Dr. Christopher J. Russo, Business Administrator/Board Secretary
Mrs. Jennifer Grenger, Director of Student Services
Ms. Linda Gringeri-Director of Curriculum & Instruction

September 8, 2014

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Delran Township School District for the fiscal year ended June 30, 2014 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the US Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "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 on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Delran School District is an

independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Delran Public Schools and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular vocational as well as special education or handicapped youngsters. The District completed the 13-14 fiscal year with an average daily enrollment of 2,956 students, which is 118 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last 10 years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	2,956	4.16%
2012-13	2,838	-4.86%
2011-12	2,983	2.37%
2010-11	2,914	-.17%
2009-10	2,935	1.52%
2008-09	2,891	1.12%
2007-08	2,859	1.60%
2006-07	2,814	0.32%
2005-06	2,805	1.33%
2004-05	2,768	0.14%

2) ECONOMIC CONDITION AND OUTLOOK: There was no noticeable residential or commercial growth during the year. Enrollment increased by 118 students which is the largest increase in ten years and following a decrease in the previous year.

3) MAJOR INITIATIVES: The year ended with the superintendent resigning her position in the third year. The district is involved in a search for a replacement. An interim has been hired until the new person can be hired. The middle school has been operating with an interim-principal as the current principal became ill mid-year and it is expected that an interim will be needed until the end of the 2014-15 school year. Kindergarten is again full-time following a separate question on the November 2012 ballot asking for \$400,000 to restore the program. The tax impact on the average assessed home was \$29.70 per year. The referendum passed comfortably in November restoring full-day kindergarten for September 2013. Afterschool instructional support programs continued for the 13-14 school year for the elementary aged children and will continue for 2014-15. Funding for this program is through Federal grants. Benchmarking has been implemented in elementary and middle school grades to help the teachers assess students' progress during the year. Parents by the end of the year, at the Intermediate School level felt this initiative created too much testing for their children. The new high school principal completed his second year. He has made changes to curriculum and scheduling to help improve instruction. For 2013-14 a new Do-It-Yourself (DIY) program debuted

with much interest from the HS students. This class took a shipping cargo container and began converting it into a medical station to be sent to Africa. This will provide real-life experiences to these students. A supervisor of special education was hired in the 2013-14 budget to manage increasing special education requirements. There was an increase in demand for special education services for 3 and 4 year old children in 13-14 and that continues in 14-15. This is leading to room availability issues in the Millbridge School. There has been a District-wide increase in special education students. The intermediate School will receive new flooring in the all-purpose room for the start of the 2014 school year. Also, in 2014-15 a supervisor of science will be hired to lead the department as we enter era of high stakes testing in that area. The District has seen an increase in its "at-risk" population as the poor economy affects the area. As a result of this phenomenon a breakfast program was implemented in the 2013-14 school year in all four schools and was a success. The program will remain for the 2014-15 school year.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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

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

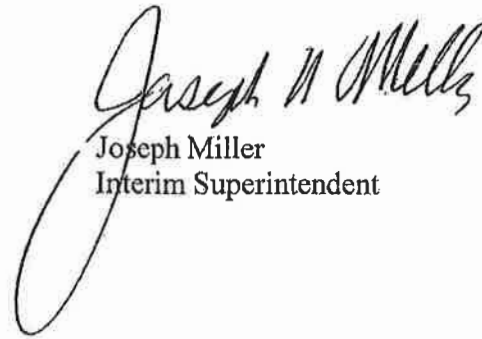
8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

9) OTHER INFORMATION:


Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, CPA's, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB-133 and NJOMB Circular Letter 04-04. 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 the single audit are included in the single audit section of this report.

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

Respectfully submitted,

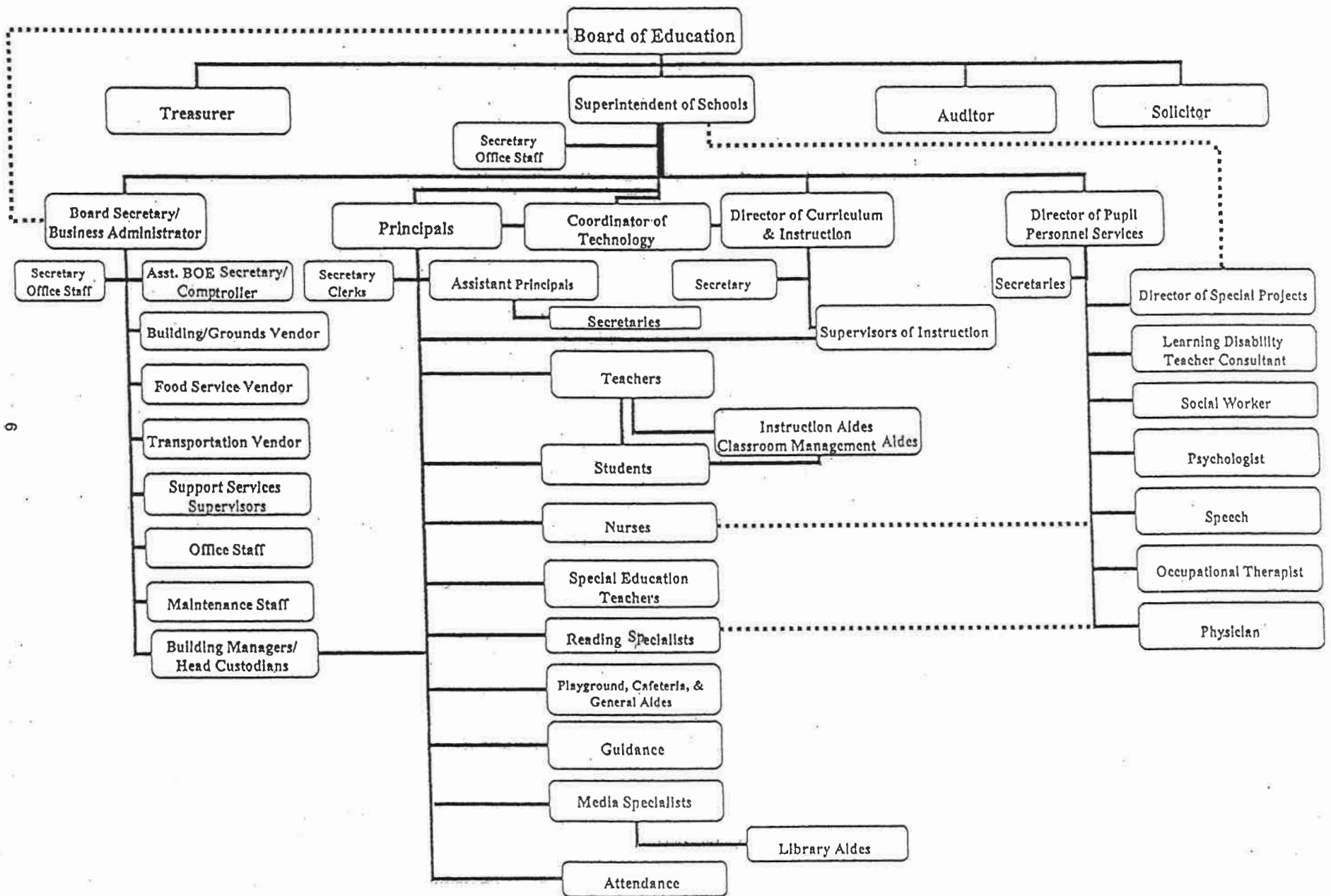


Joseph Miller
Interim Superintendent



Christopher J. Russo, Ed.D.
Board Secretary/Business Administrator

DELRAN BOARD OF EDUCATION
Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Diane M. Zierler, President	2014
Amy Rafanello, Vice-President	2015
Sheri Sheeran-Garvey	2014
Robin W. Hammitt	2016
Nancy C. Keegan	2015
Thomas Jackson	2016
Glenn Kitly	2015
Mary Anne McStravick	2014
Tyler Seville	2016

Other Officials

Patricia Camp, Ph.D. Superintendent
Christopher Russo, Ed.D. Board Secretary &
School Business Administrator
Dorthea Jones, Treasurer
Arthur F. Riden, Solicitor

DELRAN TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

Comegno Law Group, ESQ.
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Architect

KDA Architects
277 Laurel Road
Voorhees, NJ 08043

Official Depository

TD Bank
1050 South Chester Avenue
Delran, NJ 08075

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements 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 School District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delran Township School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

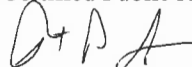
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 5, 2014 on my consideration of the Delran Township School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delran Township School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant

Marlton, New Jersey
September 5, 2014

INVERSO & STEWART, LLC
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated September 5, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Delran 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Delran Township School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delran Township School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed 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 which is described in the accompanying *Schedule of Findings and Questioned Costs and Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* as finding no: 2014-1.

The Delran Township School District's Response to Findings

The Delran Township School District's response to the finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 5, 2014

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Delran Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

As management of the Board of Education of the Township of Delran, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$13,000,579 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$1,294,478. The accounting treatments in the governmental funds for compensated absences payable, and the June state aid payments, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District decreased by \$180,296 or a 1.37% decrease from the prior fiscal year-end balance. The majority of the decrease is attributable to the results of operations in the General Fund and repayment of long term debt obligations.
- Fund balance of the School District's governmental funds decreased by \$1,381,237 resulting in an ending fund balance of \$4,182,869. The majority of the decrease is attributable to the results of operations in the General Fund.
- Business-type activities have unrestricted net position of \$477,672 which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$1,122,310 which is the result of principal payments on debt obligations, the decrease of compensated absences and the acquisition of a new capital lease.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2014. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2014.

The assets of the primary government activities exceeded liabilities by \$12,308,604 with an unrestricted deficit balance of \$1,294,478. The net position of the primary government does not include internal balances.

A net investment of \$9,582,074 in land, improvements, buildings, equipment and vehicles provides the services to the School District's 2,956 public school students. Net position of \$1,190,789 has been restricted to provide resources for future capital expansion and renovation projects while \$2,600,458 has been restricted for budget appropriation, \$156,325 is reserved for maintenance, \$498 is reserved for future debt service, and \$72,938 has been restricted for encumbrances.

As mentioned earlier, deficit unrestricted net position is primarily due to the accounting treatment for compensated absences payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

Delran Township School District
Comparative Summary of Net Position
As of June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		District-Wide	
	2014	2013	2013	2013	2013	2013
Assets:						
Current assets	\$ 4,442,243	\$ 5,930,132	\$ 490,436	\$ 400,417	\$ 4,932,679	\$ 6,330,549
Capital assets	<u>38,943,354</u>	<u>38,960,061</u>	<u>214,303</u>	<u>213,563</u>	<u>39,157,657</u>	<u>39,173,624</u>
Total assets	<u>43,385,597</u>	<u>44,890,193</u>	<u>704,739</u>	<u>613,980</u>	<u>44,090,336</u>	<u>45,504,173</u>
Liabilities:						
Current Liabilities	2,282,440	2,336,147	12,764	8,630	2,295,204	2,344,777
Noncurrent Liabilities	<u>28,794,553</u>	<u>29,978,521</u>			<u>28,794,553</u>	<u>29,978,521</u>
Total liabilities	<u>31,076,993</u>	<u>32,314,668</u>	<u>12,764</u>	<u>8,630</u>	<u>31,089,757</u>	<u>32,323,298</u>
Net position	<u>\$ 12,308,604</u>	<u>\$ 12,575,525</u>	<u>\$ 691,975</u>	<u>\$ 605,350</u>	<u>\$ 13,000,579</u>	<u>\$ 13,180,875</u>
Net position consist of:						
Net investment in						
Capital assets	\$ 9,582,074	\$ 8,434,666	\$ 214,303	\$ 213,563	\$ 9,796,377	\$ 8,648,229
Restricted net position	4,021,008	5,501,866			4,021,008	5,501,866
Unrestricted net position	<u>(1,294,478)</u>	<u>(1,361,007)</u>	<u>477,672</u>	<u>391,787</u>	<u>(816,806)</u>	<u>(969,220)</u>
Net position	<u>\$ 12,308,604</u>	<u>\$ 12,575,525</u>	<u>\$ 691,975</u>	<u>\$ 605,350</u>	<u>\$ 13,000,579</u>	<u>\$ 13,180,875</u>

Governmental Activities

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

- Long term debt reduction of \$1,122,310.
- Capital assets had a net decrease of \$16,707.

Business-type Activities

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

- The Food Services Fund had a net gain of \$86,625 for this fiscal year.

Delran Township School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		District-Wide	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues						
Charges for services			\$ 703,279	\$ 668,896	\$ 703,279	\$ 668,896
Operating grants and Contributions	\$ 5,020,135	\$ 5,265,009	478,165	417,918	5,498,300	5,682,927
General Revenues:						
Property Taxes	28,907,576	28,233,718			28,907,576	28,233,718
Unrestricted State Aid	11,949,588	11,758,392			11,949,588	11,758,392
Tuition	104,203	103,035			104,203	103,035
Other Revenues	114,363	767,136		392	114,363	767,528
Total Revenues	46,095,865	46,127,290	1,181,444	1,087,206	47,277,309	47,214,496
Expenses:						
Governmental Activities:						
Instruction	18,824,871	17,915,511			18,824,871	17,915,511
Tuition	2,079,494	1,778,003			2,079,494	1,778,003
Related Services	4,802,353	4,491,056			4,802,353	4,491,056
Administrative Services	3,059,857	3,021,444			3,059,857	3,021,444
Operations and Maintenance	4,253,137	4,471,566			4,253,137	4,471,566
Transportation	2,262,203	2,672,346			2,262,203	2,672,346
Employee Benefits	9,802,155	9,534,225			9,802,155	9,534,225
Interest on long-term Debt	1,236,235	1,291,209			1,236,235	1,291,209
Other	42,481	6,910			42,481	6,910
Business-Type Activities:						
Food Service Operations			1,094,819	1,070,224	1,094,819	1,070,224
Total Expenses	46,362,786	45,182,270	1,094,819	1,070,224	47,457,605	46,252,494
Increase (decrease) in net Assets before transfers	(266,921)	945,020	86,625	16,982	(180,296)	962,002
Transfers						
Changes in net position	(266,921)	945,020	86,625	16,982	(180,296)	962,002
Net position, July 1,	12,575,705	11,630,505	605,350	588,368	13,180,875	12,218,873
Net position, June 30,	\$ 12,308,604	\$ 12,575,525	\$ 691,975	\$ 605,350	\$ 13,000,579	\$ 13,180,875

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$4,182,869, a decrease of \$1,381,237 in comparison with the prior year. Most of this decrease is the result of operations in the General Fund.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance for the General Fund of \$161,861 and an unreserved fund balance of \$1 for the Debt Service Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures \$73,405, 2) appropriated as a revenue source in the subsequent year's budget \$1,666,270, 3) reserved for excess surplus in accordance with state statute \$934,685, 4) reserved for encumbrances \$88,103, 5) reserved for maintenance \$156,325, or 6) reserved for capital reserve \$1,102,219.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$1,242,788, while total fund balance (budgetary basis) was \$5,174,728. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$43,785,163. Unreserved fund balance (budgetary basis) represents 2.84% of expenditures while total fund balance (budgetary basis) represents 11.82% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totaled \$39,157,657 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$15,967, or a 0.04% decrease. The decrease is due to depreciation less current year additions.

Delran Township School District
Capital Asset (net of accumulated depreciation)
June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		District-Wide	
	2014	2013	2013	2013	2013	2013
Construction in Progress	\$ 25,198,232	\$ 25,198,232			\$ 25,198,232	\$ 25,198,232
Buildings and Building Improvements	12,910,582	12,641,710			12,910,582	12,641,710
Equipment	<u>834,540</u>	<u>1,120,119</u>	<u>\$ 214,303</u>	<u>\$ 213,563</u>	<u>1,048,843</u>	<u>1,333,682</u>
Net position	<u>\$ 38,943,354</u>	<u>\$ 38,960,061</u>	<u>\$ 214,303</u>	<u>\$ 213,563</u>	<u>\$ 39,157,657</u>	<u>\$ 39,173,624</u>

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

Long-term debt – During the fiscal year ended June 30, 2014, the School District had total bonded debt outstanding of \$28,943,000. Additionally, the School District has long-term obligations for capital leases in the amount of \$418,280, and \$904,693 in compensated absences outstanding at the end of the current fiscal year.

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

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$64,058,599 and the available borrowing capacity was \$35,115,599.

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2014-15 fiscal year.

- For the 2014-15 fiscal year the School District will be receiving an increase in state aid. The local tax levy in the General Fund increased by \$1,557,579 or 5.81%. Salaries continue to increase contractually; however, the District has managed to control costs. The 2014-15 General Fund Budget is \$162,397 greater than the previous year or a 0.39% increase. The district tax rate increased from \$2.04 in 2013 to \$2.11 in 2014.

For the Future

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

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

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 2,467,751	\$ 454,404	\$ 2,922,155
Receivables, net	872,273	27,107	899,380
Inventory		8,925	8,925
Restricted assets:			
Restricted cash and cash equivalents	1,102,219		1,102,219
Capital assets, net (Note 5)	38,943,354	214,303	39,157,657
Total assets	43,385,597	704,739	44,090,336
LIABILITIES:			
Accounts payable	142,703		142,703
Payable to state government	40,983		40,983
Unearned revenue	75,688	12,764	88,452
Accrued interest due within one year	551,646		551,646
Noncurrent liabilities (Note 7):			
Due within one year	1,471,420		1,471,420
Due beyond one year	28,794,553		28,794,553
Total liabilities	31,076,993	12,764	31,089,757
NET POSITION:			
Net investment in capital assets	9,582,074	214,303	9,796,377
Restricted for:			
Debt Service Fund	498		498
Capital Projects	88,570		88,570
Other purposes	3,931,940		3,931,940
Unrestricted	(1,294,478)	477,672	(816,806)
Total Net Position	\$ 12,308,604	\$ 691,975	\$ 13,000,579

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 13,585,210		\$ 492,941	\$ (13,092,269)		\$ (13,092,269)
Special education	4,022,642		526,987	(3,495,655)		(3,495,655)
Other instruction	1,217,019			(1,217,019)		(1,217,019)
Support Services:						
Tuition	2,079,494			(2,079,494)		(2,079,494)
Student & instruction related services	4,802,353		352,929	(4,449,424)		(4,449,424)
General administrative services	747,744			(747,744)		(747,744)
School administrative services	1,567,995			(1,567,995)		(1,567,995)
Central services	744,118			(744,118)		(744,118)
Plant operations and maintenance	4,253,137			(4,253,137)		(4,253,137)
Pupil transportation	2,262,203			(2,262,203)		(2,262,203)
Employee benefits	9,802,155		3,163,735	(6,638,420)		(6,638,420)
Interest on long-term debt	1,236,235		483,543	(752,692)		(752,692)
Unallocated depreciation and amortization	42,481			(42,481)		(42,481)
Total governmental activities	<u>46,362,786</u>		<u>5,020,135</u>	<u>(41,342,651)</u>		<u>(41,342,651)</u>
Business-type activities:						
Food Service	1,094,819	\$ 703,279	478,165		\$ 86,625	86,625
Total business-type activities	<u>1,094,819</u>	<u>703,279</u>	<u>478,165</u>		<u>86,625</u>	<u>86,625</u>
Total primary government	<u>\$ 47,457,605</u>	<u>\$ 703,279</u>	<u>\$ 5,498,300</u>	<u>\$ (41,342,651)</u>	<u>\$ 86,625</u>	<u>\$ (41,256,026)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				26,816,644		26,816,644
Taxes levied for debt service				2,090,932		2,090,932
Federal and state aid not restricted				11,949,588		11,949,588
Tuition Revenue				104,203		104,203
Miscellaneous income				114,363		114,363
Total general revenues, special items, extraordinary items and transfers				<u>41,075,730</u>		<u>41,075,730</u>
Change in Net Position				<u>(266,921)</u>	<u>86,625</u>	<u>(180,296)</u>
Net Position--July 1				<u>12,575,525</u>	<u>605,350</u>	<u>13,180,875</u>
Net Position--June 30				<u>\$ 12,308,604</u>	<u>\$ 691,975</u>	<u>\$ 13,000,579</u>

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

Fund Financial Statements

DELRAN TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 2,362,854		\$ 88,570	\$ 16,327	\$ 2,467,751
Receivables, net	546,891	\$ 325,382			872,273
Interfund receivables, net	233,790				233,790
Restricted cash and cash equivalents	1,102,219				1,102,219
Total assets	<u>\$ 4,245,754</u>	<u>\$ 325,382</u>	<u>\$ 88,570</u>	<u>\$ 16,327</u>	<u>\$ 4,676,033</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	142,703				142,703
Intergovernmental payable:					
State		40,983			40,983
Interfund payables		217,961		15,829	233,790
Unearned revenues	9,250	66,438			75,688
Total liabilities	<u>151,953</u>	<u>325,382</u>		<u>15,829</u>	<u>493,164</u>
Fund Balances:					
Restricted for:					
Excess surplus	934,685				934,685
Excess surplus - designated for subsequent year's expenditures	1,044,525				1,044,525
Maintenance reserve	156,325				156,325
Capital reserve	1,102,219				1,102,219
Assigned to:					
Year-end encumbrances	72,938		15,165		88,103
Subsequent year's expenditures	621,248			497	621,745
Unassigned	161,861		73,405	1	235,267
Total fund balances	<u>4,093,801</u>		<u>88,570</u>	<u>498</u>	<u>4,182,869</u>
Total liabilities and fund balances	<u>\$ 4,245,754</u>	<u>\$ 325,382</u>	<u>\$ 88,570</u>	<u>\$ 16,327</u>	

Unreserved

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$60,672,086 and the accumulated depreciation is \$21,728,732. 38,943,354

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (551,646)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General Obligation Bonds	(28,943,000)	
Capital Lease Payable	(418,280)	
Compensated Absences Payable	(904,693)	(30,265,973)

Net position of governmental activities \$ 12,308,604

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 26,816,644			\$ 2,090,932	\$ 28,907,576
Tuition charges	104,203				104,203
Transportation charges	14,286				14,286
Capital reserve interest	1,073				1,073
Miscellaneous	99,004				99,004
Total revenues-local sources	27,035,210			2,090,932	29,126,142
Local sources		\$ 2,691			2,691
State sources	15,049,424	260,695		483,543	15,793,662
Federal sources	50,058	1,123,312			1,173,370
Total revenues	42,134,692	1,386,698		2,574,475	46,095,865
EXPENDITURES:					
Current expense:					
Regular instruction	12,384,907	492,941			12,877,848
Special education instruction	3,495,655	526,987			4,022,642
Other instruction	1,217,019				1,217,019
Support services and undistributed costs:					
Tuition	2,079,494				2,079,494
Student & instruction related services	4,449,424	352,929			4,802,353
General administrative services	652,664				652,664
School administrative services	1,567,995				1,567,995
Central services	515,652				515,652
Admin. Info. Tech	228,466				228,466
Plant operations and maintenance	4,180,860				4,180,860
Pupil transportation	2,262,203				2,262,203
Unallocated employee benefits	9,788,314	13,841			9,802,155
Capital outlay	962,510		\$ 54,474		1,016,984
Debt service:					
Principal				1,354,515	1,354,515
Interest and other charges				1,236,234	1,236,234
Total expenditures	43,785,163	1,386,698	54,474	2,590,749	47,817,084
Excess (deficiency) of revenues over (under) expenditures	(1,650,471)		(54,474)	(16,274)	(1,721,219)
Other Financing Sources (Uses):					
Proceeds of capital lease	339,982				339,982
Transfers in					
Transfers out					
Total other financing sources (uses)	339,982				339,982
Net change in fund balance	(1,310,489)		(54,474)	(16,274)	(1,381,237)
Fund balances, July 1	5,404,290		143,044	16,772	5,564,106
Fund balances, June 30	\$ 4,093,801		\$ 88,570	\$ 498	\$ 4,182,869

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2) \$ (1,381,237)

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

Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.

Depreciation expense	\$ (950,796)	
Disposal of assets	(3,654)	
Capital outlay	937,743	(16,707)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 1,275,000

Repayment of E.D.A. loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 79,514

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 149,583

The proceeds of a capital lease are an other financing source of revenue in the governmental funds but are not reported in the statement of activities. (339,982)

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition to the reconciliation. 8,713

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (41,805)

Change in net position of governmental activities \$ (266,921)

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities Enterprise Funds <u>Food Service Program</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 454,404
Accounts receivable	27,107
Interfund receivables	-
Inventories	<u>8,925</u>
Total current assets	<u>490,436</u>
Noncurrent assets:	
Equipment	645,969
Less accumulated depreciation	<u>(431,666)</u>
Total noncurrent assets	<u>214,303</u>
Total assets	<u><u>\$ 704,739</u></u>
LIABILITIES	
Current liabilities:	
Unearned revenue	<u>12,764</u>
Total liabilities	<u>12,764</u>
NET POSITION	
Net investment in capital assets	214,303
Unrestricted	<u>477,672</u>
Total net position	<u><u>\$ 691,975</u></u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2014

	Business-type Activities Enterprise Funds
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales-reimbursable programs	\$ 358,117
Daily sales-non-reimbursable programs	345,162
Total operating revenue	<u>703,279</u>
Operating expenses:	
Salaries	369,888
Benefits	90,745
Supplies and materials	36,044
Depreciation	33,330
Management fee	56,562
Software/Equipment	12,295
Repairs and maintenance of equipment	8,180
Cost of sales	453,427
Direct expenses	34,348
Other expenses	-
Total operating expenses	<u>1,094,819</u>
Operating income (loss)	<u>(391,540)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	11,440
Federal sources:	
National school lunch program	317,812
National school breakfast program	70,306
U.S.D.A. commodities	78,607
Local sources:	
Interest revenue	-
Total nonoperating revenues (expenses)	<u>478,165</u>
Change in net position	86,625
Net position- July 1	<u>605,350</u>
Net position - June 30	<u>\$ 691,975</u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2014

	Business-type Activities Enterprise Funds
	Food Service Program
Cash flows from operating activities:	
Receipts from customers	\$ 707,193
Payments to employees	(460,633)
Payments to suppliers	(521,812)
Net cash used for operating activities	<u>(275,252)</u>
Cash flows from noncapital financing activities:	
State sources	11,396
Federal sources	384,439
Net cash provided by non-capital financing activities	<u>395,835</u>
Cash flows from capital activities:	
Purchases of fixed assets	(34,070)
Net cash used for capital activities	<u>(34,070)</u>
Cash flows from investing activities:	
Interest and dividends	-
Net cash provided by investing activities	<u>-</u>
Net increase in cash and cash equivalents	86,513
Balances - July 1	<u>367,891</u>
Balances - June 30	<u>\$ 454,404</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (391,540)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	33,330
Federal commodities	78,607
(Increase) decrease in accounts receivable	(220)
(Increase) decrease in inventories	437
Increase (decrease) in accounts payable	-
Increase (decrease) in unearned revenue	4,134
Total adjustments	<u>116,288</u>
Net cash provided by (used for) operating activities	<u>\$ (275,252)</u>

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Unemployment Compensation Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and cash equivalents	\$ 171,741	\$ 544,417
Interfund	<u> </u>	<u> </u>
Total assets	<u>171,741</u>	<u>\$544,417</u>
LIABILITIES:		
Accounts payable	4,741	
Payroll deductions and withholdings		199,453
Due to student groups	<u> </u>	<u>344,964</u>
Total liabilities	<u>4,741</u>	<u>\$ 544,417</u>
NET POSITION:		
Held in trust for unemployment		
claims and other purposes	<u>\$ 167,000</u>	

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee contributions	\$ 35,408
Board contribution	
Total Contributions	<u>35,408</u>
Investment earnings:	
Interest	
Net investment earnings	
Total additions	<u>35,408</u>
DEDUCTIONS:	
Claims paid	47,081
Payables	4,740
Total deductions	<u>51,821</u>
Change in Net Position	(16,413)
Net Position - July 1	<u>183,413</u>
Net Position - June 30	<u>\$ 167,000</u>

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Delran Township School District (District) is a Type II school district located in Burlington County, New Jersey and covers an area of approximately 7.5 square miles. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of Delran's students in grades K through 12. The Delran School District has an approximate enrollment at June 30, 2014 of 2,956 students.

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

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

Basis of Presentation

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The School District's enterprise fund is:

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

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

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a student activity fund, and a payroll fund.

Measurement Focus

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - 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 Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2014 and 2013 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

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

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

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

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2014.

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

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

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

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

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

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

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Recently Issued Accounting Pronouncements - In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement 25", which revises existing standards of financial reporting for most pension plans. This Statement which is effective for periods beginning after June 15, 2013, will not have any effect on the District's financial statements.

In June 2012 the GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement which is effective for periods beginning after June 15, 2014, will have a significant impact on the District's financial statements.

In January 2013, the GASB issued Statement 69, "Government Combinations and Disposals of Government Operations". This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement which is effective for periods beginning after December 15, 2013, will not have any effect on the District's financial statements.

In April 2013, the GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" This Statement which is effective for periods beginning after June 15, 2013, will not have any effect on the District's financial statements.

In November 2013, the GASB issued Statement No. 71, "Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68". This Statement is required to be applied in conjunction with the provisions of GASB Statement No. 68 and is effective for periods beginning after June 15, 2014. The provisions of this statement will have a significant impact on the District's financial statements.

2. CASH AND CASH EQUIVALENTS

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

Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$5,926,335 as of June 30, 2014, \$264,369 was insured under FDIC and the remaining balance of \$5,661,966 was collateralized under GUDPA.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

3. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Balance – July 1, 2013	\$ 1,551,146
Increased by:	
Transfer by Board Resolution \$ 100,000	
Unspent Funds Returned	
Interest Earned	<u>1,073</u>
	101,073
	1,652,219
Decreased by:	
Budgeted Withdrawal	<u>600,000</u>
Balance – June 30, 2014	\$ <u>1,052,219</u>

The June 30, 2014 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District's LRFP.

4. RECEIVABLES

All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
State Aid	\$ 498,615		\$ 630	\$ 499,245
Federal Aid		\$ 325,382	23,755	349,137
Other	<u>48,276</u>		<u>2,722</u>	<u>50,998</u>
Total Accounts Receivable	\$ <u>546,891</u>	\$ <u>325,382</u>	\$ <u>27,107</u>	\$ <u>899,380</u>

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Disposals/</u> <u>Adjustment</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Construction in Progress	\$ 25,198,232			\$ 25,198,232
Total capital assets, not being Depreciated	<u>25,198,232</u>			<u>25,198,232</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	935,659	\$ 24,700		960,359
Building and Building Improvements	30,651,742	873,309		31,525,051
Machinery and Equipment	3,107,101	39,734	158,391	2,988,444
Totals at historical cost	<u>34,694,502</u>	<u>937,743</u>	<u>158,391</u>	<u>35,473,854</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(554,713)	(31,456)		(586,169)
Building and Building Improvements	(18,390,978)	(597,681)		(18,988,659)
Equipment	(1,986,982)	(321,659)	(154,737)	(2,153,904)
Totals accumulated depreciation	<u>(20,932,673)</u>	<u>(950,796)</u>	<u>(154,737)</u>	<u>(21,728,732)</u>
Total Capital Assets, being depreciated, net	<u>13,761,829</u>	<u>(13,053)</u>	<u>3,654</u>	<u>13,745,122</u>
Governmental Activities Capital Assets, Net	\$ <u>38,960,061</u>	\$ <u>(13,053)</u>	<u>3,654</u>	\$ <u>38,943,354</u>
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 615,499	34,070	3,600	\$ 645,969
Less accumulated depreciation	<u>(401,936)</u>	<u>(33,330)</u>	<u>(3,600)</u>	<u>(431,666)</u>
Business-Type Activities Capital Assets, Net	\$ <u>213,563</u>	\$ <u>740</u>	\$ <u>-</u>	\$ <u>214,303</u>

Depreciation expense in the amount of \$950,796 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 665,557
Administration	95,080
Plant Operations and Maintenance	142,619
Unallocated	<u>47,540</u>
Total	\$ <u>950,796</u>

6. INVENTORY

Inventory in the Proprietary Funds at June 30, 2014 consisted of the following:

	<u>Food Service</u>
Food Supplies	\$ 7,472
	<u>1,453</u>
	\$ <u>8,925</u>

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2013</u>		<u>Additions</u>		<u>Reductions</u>		<u>Principal Outstanding June 30, 2014</u>		<u>Amount Due Within One Year</u>
Compensated Absences	\$ 862,888	\$	41,805				\$ 904,693		
Capital Lease Payable	227,881		339,982	\$	149,583		418,280	\$	141,420
E.D.A. Loans Payable	79,514				79,514				
General Obligation Bonds	<u>30,218,000</u>				<u>1,275,000</u>		<u>28,943,000</u>		<u>1,330,000</u>
	<u>\$ 31,388,283</u>	\$	<u>381,787</u>	\$	<u>1,504,097</u>	\$	<u>30,265,973</u>	\$	<u>1,471,420</u>

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

1998 Refunding Bonds dated November 15, 1998 in the amount of 1,430,000 due in annual installments through July 15, 2015 bearing interest rates ranging from 4.20% - 4.25%.

2005 Refunding Bonds dated September 15, 2005 in the amount of \$2,585,000 due in annual installments through January 15, 2023 bearing interest rates ranging from 4.00% - 4.05%.

2009 School Bonds dated July 15, 2009 in the amount of \$24,928,000 due in annual installments through July 15, 2029 bearing interest rates ranging from 4.00% - 4.50%.

Principal and interest due on bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,330,000	\$ 1,181,170	\$ 2,511,170
2016	1,385,000	1,125,463	2,510,463
2017	1,425,000	1,068,575	2,493,575
2018	1,485,000	1,010,575	2,495,575
2019	1,545,000	950,175	2,495,175
2020-2024	8,715,000	3,740,819	12,455,819
2025-2029	10,660,000	1,716,203	12,376,203
2030	<u>2,398,000</u>	<u>53,955</u>	<u>2,451,955</u>
	<u>\$ 28,943,000</u>	<u>\$ 10,846,935</u>	<u>\$ 39,789,935</u>

As of June 30, 2014 the District had no authorized but not issued bonds.

Compensated Absences

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

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

7. LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2014, the District had the following capital leases:

<u>Equipment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Phone Lease	June 15, 2017	2.05%	\$ 287,800
Brocade Network Switches	July 20, 2017	2.17%	177,651
Dell Computers	August 1, 2015	5.09%	162,331

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2014:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 141,420	\$ 12,833	\$ 154,253
2016	146,346	7,908	154,254
2017	94,230	2,762	96,991
2018	<u>36,284</u>	<u>787</u>	<u>37,072</u>
	\$ <u>418,280</u>	\$ <u>24,290</u>	\$ <u>442,570</u>

8. OPERATING LEASES

At June 30, 2014, the School District had an operating lease agreement in effect for the following:

Copiers

Total operating lease payments made during the year ended June 30, 2014 and 2013, were \$129,815, and \$125,067 respectively. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2015	\$ 128,219
June 30, 2016	112,908
June 30, 2017	47,824
June 30, 2018	<u>26,164</u>
Total future minimum lease payments	\$ <u>315,115</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contrib Group Life Insurance</u>	<u>Adjustment</u>	<u>Total Liability</u>	<u>Paid by District</u>
2014	\$ 90,024	\$ 243,872	\$ 5,091	\$ (34,555)	\$ 304,432	\$ 304,432
2013	87,419	209,020	17,643		314,082	314,082
2012	100,814	201,628	19,269		321,711	321,711

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

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

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

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

<u>Year</u>	<u>Total Liability</u>	<u>Paid by District</u>
2014	\$ 631	\$ 631
2013	1,233	1,233
2012	1,204	1,204

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

10. POST-RETIREMENT BENEFITS (Continued)

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2014 was \$1,136,781 which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures \$693,318 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,319,795 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

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

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior four years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ 35,408			\$ 51,821	\$ 167,000
2012-2013	33,539		\$ 232	80,443	183,413
2011-2012	33,558		1,400	71,099	230,085
2010-2011	31,626		3,413	96,067	266,226
2009-2010	32,571	\$ 200,000	1,138	15,814	327,254

13. DEFERRED COMPENSATION

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

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2014, the liability for compensated absences in the governmental activities was \$904,693.

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2015. The following interfund balances were recorded on the various balance sheets as of June 30, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 233,790	\$
Special Revenue		217,961
Debt Service		15,829
	<u>\$ 233,790</u>	<u>\$ 233,790</u>

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

16. CONTINGENCIES

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

At June 30, 2014, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

17. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2014, a deficit of \$1,294,478 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances June 30, 2014	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds):	
Fund Balance – Unassigned	\$ 161,861
Liabilities:	
Accrued interest Payable	(551,646)
Compensated Absences	(904,693)
	<hr/>
Unrestricted Net Position (Deficit)	\$ <u>1,294,478</u>

18. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$934,685 presented on the budgetary basis of accounting (Exhibit C-1). In addition, \$1,044,525 of excess fund balance generated during the 2012-2013 fiscal year has been restricted and designated for utilization in the 2014-2015 budget.

Capital Reserve – As of June 30, 2014, the balance in the capital reserve account is \$1,102,219, all of which is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2014, the balance in the maintenance reserve account is \$156,325. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Delran Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

18. FUND BALANCES (Continued)

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2014 the School District has \$72,938 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015, \$621,248 of general fund balance.

Capital Projects Fund:

Other Purposes – At June 30, 2014 the School District has \$15,165 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2015, \$497 of debt service fund balance.

UNASSIGNED

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

General Fund – As of June 30, 2014, \$161,861 of general fund balance was unassigned.

Capital Projects Fund – As of June 30, 2014, \$73,405 of capital projects fund balance was unassigned.

Debt Service Fund – As of June 30, 2014, \$1 of debt service fund balance was unassigned.

19. LITIGATION

The School District is a defendant in one legal proceeding. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Required Supplementary Information - Part II

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 26,816,643		\$ 26,816,643	\$ 26,816,644	\$ 1
Tuition	36,000		36,000	104,203	68,203
Transportation				14,286	14,286
Capital reserve interest	500		500	1,073	573
Unrestricted miscellaneous revenue	30,000		30,000	99,004	69,004
Total local sources	26,883,143		26,883,143	27,035,210	152,067
State sources:					
Categorical special education aid	1,707,479		1,707,479	1,707,479	
Equalization aid	9,568,442		9,568,442	9,568,442	
Security aid	74,011		74,011	74,011	
Transportation aid	112,213		112,213	112,213	
Under adequacy aid	14,105		14,105	14,105	
Extraordinary aid				420,462	420,462
Additional non-public transportation aid				16,420	16,420
On-behalf TPAF pension contributions (non-budgeted)				693,318	693,318
On-behalf TPAF medical (non-budgeted)				1,136,781	1,136,781
Reimbursed TPAF social security contributions (non-budgeted)				1,319,795	1,319,795
Total state sources	11,476,250		11,476,250	15,063,026	3,586,776
Federal sources:					
Medicaid reimbursement	29,274		29,274	50,058	20,784
Total federal sources	29,274		29,274	50,058	20,784
TOTAL REVENUES	38,388,667		38,388,667	42,148,294	3,759,627
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	670,677	\$ 12,271	682,948	682,948	
Grades 1-5	3,431,361	(2,143)	3,429,218	3,429,218	
Grades 6-8	2,754,981	(52,709)	2,702,272	2,678,024	24,248
Grades 9-12	4,408,538	(31,086)	4,377,452	4,377,452	
Total Instruction	11,265,557	(73,667)	11,191,890	11,167,642	24,248
Regular Programs - Home Instruction:					
Salaries of teachers	58,905	33,113	92,018	88,318	3,700
Purchased professional - educ services	11,246	5,000	16,246	15,724	522
Total Home Instruction	70,151	38,113	108,264	104,042	4,222

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Purchased professional - educ services	\$ 191,032	\$ (36,154)	\$ 154,878	\$ 129,017	\$ 25,861
Purchased technical services	86,321	4,000	90,321	71,900	18,421
Other purchased services	109,008	120,612	229,620	223,955	5,665
General supplies	611,548	(28,532)	583,016	539,037	43,979
Textbooks	243,693	(96,671)	147,022	129,595	17,427
Other objects	27,500	(7,400)	20,100	19,719	381
Total Undistributed Instruction	1,269,102	(44,145)	1,224,957	1,113,223	111,734
Total - Regular Programs - Instruction	12,604,810	(79,699)	12,525,111	12,384,907	140,204
Special Educ Instruction: Learning/Lang. Disabilities					
Salaries of teachers	618,686	(63,550)	555,136	555,136	
Other salaries for instruction	182,956	(37,603)	145,353	145,353	
General supplies	8,400	(505)	7,895	7,894	1
Textbooks	2,250	(188)	2,062	2,062	
Total Learning/Language Disabilities	812,292	(101,846)	710,446	710,445	1
Special Educ Instruction: Multiple Disabilities					
Salaries of teachers	147,565	25,333	172,898	172,898	
Other salaries for instruction	126,688	27,618	154,306	154,081	225
General supplies	900	(17)	883	883	
Textbooks	500	(253)	247	247	
Total Multiple Disabilities	275,653	52,681	328,334	328,109	225
Special Educ Instruction: Res. Room/Res. Center					
Salaries of teachers	1,924,009	181,538	2,105,547	2,105,547	
Other salaries for instruction	69,728	(9,716)	60,012	60,012	
General supplies	21,600	(2,582)	19,018	19,018	
Textbooks	8,500	(8,500)			
Total Resource Room/Resource Center	2,023,837	160,740	2,184,577	2,184,577	
Preschool Disabilities - Part-time					
Salaries of teachers	132,588	30,016	162,604	162,477	127
Other salaries for instruction	36,810	9,049	45,859	45,859	
General supplies	2,500	5,338	7,838	7,838	
Total Preschool Disabilities - Part-time	171,898	44,403	216,301	216,174	127
Autism					
Salaries of teachers		56,350	56,350	56,350	
Total Autism		56,350	56,350	56,350	
Total Special Education - Instruction	3,283,680	212,328	3,496,008	3,495,655	353

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

(CONTINUED TO NEXT PAGE)

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries	\$ 242,070	\$ 2,728	\$ 244,798	\$ 244,798	
Purchased professional - educational services	9,000		9,000	9,000	
Other Purchased Services	300		300		\$ 300
Total Bilingual Education - Instruction	251,370	2,728	254,098	253,798	300
School-Sponsored Cocurricular Act - Inst.					
Salaries	223,718	5,422	229,140	214,271	14,869
Other purchased services	2,500		2,500	2,250	250
Supplies and materials	32,550	19,735	52,285	31,201	21,084
Other objects	3,000		3,000	495	2,505
Total School-Sponsored Cocurr. Act. - Inst	261,768	25,157	286,925	248,217	38,708
School-Sponsored Athletics - Inst.					
Salaries	420,116	(14,795)	405,321	405,321	
Other purchased services	79,950	9,740	89,690	86,544	3,146
Supplies and materials	61,515	(1,922)	59,593	59,333	260
Other objects	2,050	622	2,672	2,231	441
Total School-Sponsored Athletics - Inst	563,631	(6,355)	557,276	553,429	3,847
Other Supplemental/At Risk Programs - Inst.					
Salaries of Reading Specialists	163,473		163,473	161,575	1,898
Total Supplemental/At Risk Programs - Inst	163,473		163,473	161,575	1,898
Undistributed Expenditures - Instruction					
Tuition to other lea's w/i state - regular	72,520	31,689	104,209	91,641	12,568
Tuition to other lea's w/i state - special	337,872	(3,669)	334,203	325,849	8,354
Tuition to county voc. school dist. - reg.	91,800		91,800	79,560	12,240
Tuition to county voc. school dist. - spl.	42,840		42,840	24,480	18,360
Tuition to CSSD & reg. day schools	327,412	(34,885)	292,527	292,527	
Tuition to priv. sch. for the disabled w/i state	1,186,194	41,069	1,227,263	1,204,591	22,672
Tuition to priv. sch. for the disabled o/s state	77,500	(77,500)			
Tuition - state facilities	31,294		31,294	31,294	
Tuition - other	73,338	(18,480)	54,858	29,552	25,306
Total Undistributed Expenditures - Instruction	2,240,770	(61,776)	2,178,994	2,079,494	99,500
Undistributed Expenditures - Attend. and Social Work					
Salaries	37,753	6,529	44,282	44,282	
Total Undistributed Expenditures - Attendance	37,753	6,529	44,282	44,282	
Undistributed Expenditures - Health Services					
Salaries	288,726	3,598	292,324	292,324	
Purchased professional and technical services	6,000	4,100	10,100	9,468	632
Supplies and materials	6,875	(441)	6,434	5,897	537
Total Undistributed Expenditures - Health Svcs.	301,601	7,257	308,858	307,689	1,169
Undist. Expend. - Speech, OT, PT, & Rel. Serv.					
Salaries	440,247	1,092	441,339	441,339	
Purchased professional and educ. services	23,200		23,200	18,575	4,625
Supplies and materials	4,200	(108)	4,092	4,092	
Total Undst. Expend. - Speech, OT, PT, & Rel. Serv.	467,647	984	468,631	464,006	4,625

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Sp. Ed. - Extraordinary Services.					
Salaries	\$ 331,973	\$ 89,670	\$ 421,643	\$ 421,643	
Total Undst. Expend. - Special Ed.- Extra. Serv.	331,973	89,670	421,643	421,643	
Undist. Expend. - Guidance					
Salaries of other professional staff	689,698	(12,622)	677,076	677,076	
Salaries of secretarial and clerical assistants	163,883	(3,946)	159,937	159,817	\$ 120
Other purchased services (400-500)	100	300	400	295	105
Supplies and materials	7,900		7,900	7,886	14
Total Undst. Expend. - Guidance	861,581	(16,268)	845,313	845,074	239
Undist. Expend. - Child Study Teams					
Salaries of other professional staff	682,685	3,080	685,765	685,765	
Salaries of secretarial and clerical assistants	95,277	(4,836)	90,441	90,441	
Purchased professional and educ. services	462,555	95,058	557,613	557,613	
Other purchased services (400-500)	18,891		18,891	18,180	711
Supplies and materials	38,836	(2,660)	36,176	34,715	1,461
Other objects	4,350		4,350	4,285	65
Total Undst. Expend. - Child Study Teams	1,302,594	90,642	1,393,236	1,390,999	2,237
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	144,363	563	144,926	144,926	
Salaries of other professional staff	24,452	29	24,481	24,481	
Salaries of secretarial and clerical assistants	49,187	(97)	49,090	49,090	
Salaries of Facilitators, Math & Literacy Coaches	71,830	12,585	84,415	84,415	
Supplies and materials	3,000		3,000	3,000	
Other objects	700		700	700	
Total Undst. Expend. - Improvement of Instr. Services	293,532	13,080	306,612	306,612	
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries	437,793	(31,993)	405,800	405,800	
Salaries of Technology Coordinators	280,709	(101,764)	178,945	178,945	
Purchased professional and technical services	800	3,969	4,769	2,418	2,351
Supplies and materials	46,935	(1,700)	45,235	44,857	378
Total Undst. Expend. - Educ. Media Serv./Sch. Library	766,237	(131,488)	634,749	632,020	2,729
Instructional Staff Training Services					
Salaries Other Prof. Staff		436	436		436
Salaries of secretarial and clerical assistance	23,680	(5,867)	17,813	17,813	
Purchased professional and educ. services	1,000	(315)	685		685
Other purchased services (400-500)	31,240	3,998	35,238	18,889	16,349
Supplies and materials	1,000		1,000	397	603
Total Instructional Staff Training Services	56,920	(1,748)	55,172	37,099	18,073
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	295,518	496	296,014	296,014	
Legal services	90,000	42,168	132,168	117,075	15,093
Audit Fees	37,000		37,000	30,600	6,400
Architectural/Engineering Services	80,000		80,000	72,257	7,743
Other purchased professional services	15,000		15,000	7,495	7,505
Purchased technical services	10,000		10,000	2,975	7,025
Communications/Telephone	140,196	(1,536)	138,660	74,023	64,637
BOE Other purchased services (400-500)	5,250		5,250	742	4,508
Other purchased services (400-500)	16,910	(662)	16,248	7,701	8,547
General supplies	23,345		23,345	12,878	10,467
BOE In-House Training/Meeting Supplies	3,150		3,150	476	2,674
Miscellaneous expenditures	12,000	525	12,525	10,805	1,720
BOE membership dues and fees	20,250		20,250	19,623	627
Total Undst. Expend. - Supp. Serv. General Admin.	748,619	40,991	789,610	652,664	136,946

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	\$ 968,681	\$ 105,792	\$ 1,074,473	\$ 1,072,448	\$ 2,025
Salaries of secretarial and clerical assistants	351,200	10,299	361,499	361,499	
Purchased professional and technical services	67,562	(3,725)	63,837	55,892	7,945
Other purchased services	2,100	(223)	1,877	1,788	89
Supplies and Materials	59,789	3,225	63,014	61,672	1,342
Other objects	14,400	528	14,928	14,696	232
Total Undst. Expend. - Supp. Serv. School Admin.	1,463,732	115,896	1,579,628	1,567,995	11,633
Undist. Expend. - Central Services					
Salaries	446,712	16,706	463,418	455,086	8,332
Purchased professional services	34,419	(5,000)	29,419	28,090	1,329
Purchased technical services	19,165	(5,200)	13,965	13,915	50
Misc. purchased services	2,625		2,625	2,218	407
Supplies and materials	15,000	(300)	14,700	14,559	141
Miscellaneous expenditures	7,500		7,500	1,784	5,716
Total Undst. Expend. - Central Services	525,421	6,206	531,627	515,652	15,975
Undist. Expend. - Admin. Info. Tech.					
Purchased technical services	197,325	1,353	198,678	195,085	3,593
Other purchased services	15,000	29,970	44,970	33,381	11,589
Total Undst. Expend. - Admin. Info. Tech.	212,325	31,323	243,648	228,466	15,182
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	619,675	(40,510)	579,165	578,575	590
Cleaning, repair, and maintenance services	394,177	305,194	699,371	698,137	1,234
General supplies	30,563	(28,000)	2,563	1,698	865
Total Undst. Expend. - Required Maint. Sch. Facilities	1,044,415	236,684	1,281,099	1,278,410	2,689
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	50,624	(197)	50,427	50,427	
Salaries of non-instructional aids	88,589	5,471	94,060	94,060	
Purchased professional - tech services	33,800	(5,000)	28,800	24,899	3,901
Cleaning, repair, and maintenance services	1,121,286	(25,001)	1,096,285	1,084,269	12,016
Other purchased property services	68,528	(8,000)	60,528	57,478	3,050
Insurance	169,800	7,144	176,944	176,894	50
Miscellaneous purchased services	6,615		6,615	325	6,290
General supplies	288,769	16,398	305,167	289,449	15,718
Energy (electricity)	980,634	(225,418)	755,216	620,885	134,331
Energy (natural gas)	431,243	(67,790)	363,453	286,957	76,496
Other objects	1,604		1,604	1,389	215
Total Undst. Expend. - Other Oper. & Maint. of Plant	3,241,492	(302,393)	2,939,099	2,687,032	252,067
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	51,224	(722)	50,502	50,502	
Purchased professional and technical services	180,256	(15,000)	165,256	164,916	340
Total Undst. Expend. - Care and Upkeep of Grounds	231,480	(15,722)	215,758	215,418	340
Security					
Purchased professional and technical services	4,000		4,000		4,000
Total Undst. Expend. - Oper. & Maint. of Plant Services	4,521,387	(81,431)	4,439,956	4,180,860	259,096

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Undist. Expend. - Student Trans. Services					
Salaries for pupil trans (bet home & sch) - reg.	\$ 20,074	\$ 1,985	\$ 22,059	\$ 22,059	
Salaries for pupil trans (bet home & sch) - sp. ed.	18,115	(96)	18,019	18,019	
Salaries for pupil trans (other than bet home & sch)	3,427	(1,127)	2,300	2,300	
Salaries student transportation - nonpublic	7,344	(571)	6,773	6,773	
Contr. serv. (bet. home & sch.) - vendors	1,263,020	(94,322)	1,168,698	1,024,470	\$ 144,228
Contr. serv. (other than bet. home & sch.) - vendors	179,647	(40,001)	139,646	135,326	4,320
Contr. serv. (bet. home & sch.) - joint agree.	12,000	(12,000)			
Contr. serv. (sp ed stds) - vendors	1,049,835	(20,708)	1,029,127	878,601	150,526
Contr. serv. (sp ed stds) - joint agreements	85,885	21,540	107,425	101,286	6,139
Contr. Serv. - aid in lieu pymts - nonpub sch	85,000	(10,000)	75,000	59,503	15,497
Misc. purchased services - transportation	16,956	(3,000)	13,956	13,866	90
Total Undst. Expend. - Student Trans. Services	2,741,303	(158,300)	2,583,003	2,262,203	320,800
Unallocated Benefits - Employee Benefits					
Group insurance					
Social security contributions	381,841	6,816	388,657	374,387	14,270
Other retirement contributions - PERS	372,810		372,810	305,339	67,471
Workmen's Compensation	220,000	(5,800)	214,200	200,358	13,842
Health benefits	5,666,580	(1)	5,666,579	5,609,017	57,562
Tuition reimbursements	46,339	(6,815)	39,524	23,241	16,283
Other Employee Benefits	114,758	18,481	133,239	126,078	7,161
Total Unallocated Benefits - Employee Benefits	6,802,328	12,681	6,815,009	6,638,420	176,589
On-behalf TPAF pension contributions (non-budgeted)				693,318	(693,318)
On-behalf TPAF medical (non-budgeted)				1,136,781	(1,136,781)
Reimbursed TPAF social security contributions (non-budgeted)				1,319,795	(1,319,795)
Total Undistributed Expenditures - TPAF				3,149,894	(3,149,894)
Total Undistributed Expenditures	\$ 23,675,723	\$ (35,752)	\$ 23,639,971	\$ 25,725,072	\$ (2,085,101)
Total General Current Expense	\$ 40,804,455	\$ 118,407	\$ 40,922,862	\$ 42,822,653	\$ (1,899,791)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures - instruction	9,589		9,589	9,589	
Undistributed expenditures - support services - child study teams	392		392	306	86
Undistributed Expenditures - Required Maint for School Facilities		25,268	25,268	25,268	
Total Equipment	9,981	25,268	35,249	35,163	86
Facilities Acquisition and Construction Services:					
Construction services	600,000		600,000	567,255	32,745
Assessment for Debt Service on SDA funding	20,110		20,110	20,110	
Total Facilities Acquisition and Construction Services	620,110		620,110	587,365	32,745
Assets acquired under capital leases (non-budgeted):					
Equipment					
Undistributed expenditures - instruction				162,331	(162,331)
Undistributed expenditures - noninstruction				177,651	(177,651)
Total assets acquired under capital leases				339,982	(339,982)
Total Capital Outlay	\$ 630,091	\$ 25,268	\$ 655,359	\$ 962,510	\$ (307,151)

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

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DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Total Expenditures	\$ 41,434,546	\$ 143,675	\$ 41,578,221	\$ 43,785,163	\$ (2,206,942)
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(3,045,879)	(143,675)	(3,189,554)	(1,636,869)	1,552,685
Other Financing Sources (Uses): Proceeds from Capital Lease				339,982	339,982
Total Other Financing Sources				339,982	339,982
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3,045,879)	(143,675)	(3,189,554)	(1,296,887)	1,892,667
Fund Balance, July 1	6,471,615		6,471,615	6,471,615	
Fund Balance, June 30	\$ 3,425,736	\$ (143,675)	\$ 3,282,061	\$ 5,174,728	\$ 1,892,667
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Years Expenditures				\$ 1,044,525	
Reserve for Excess Surplus				984,685	
Maintenance Reserve				156,325	
Capital Reserve				1,052,219	
Assigned Fund Balance					
Year-end Encumbrances				72,938	
Designated for Subsequent Years Expenditures				621,248	
Unassigned Fund Balance				1,242,788	
				5,174,728	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(1,080,927)	
Fund Balance per Government Fund (GAAP)				\$ 4,093,801	

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

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources		\$ 2,691	\$ 2,691	\$ 2,691	
State sources	\$ 215,399	86,279	301,678	260,695	\$ (40,983)
Federal sources	952,900	305,042	1,257,942	1,123,312	(134,630)
Total revenues	1,168,299	394,012	1,562,311	1,386,698	(175,613)
EXPENDITURES:					
Instruction:					
Salaries of teachers	266,425	(75,032)	191,393	154,468	36,925
Salaries of other professional staff					
Salaries of other instruction					
Purchased professional - educ. services	107,824	97,119	204,943	168,966	35,977
Purchased professional - tech. services	40,479	2,046	42,525	29,152	13,373
Tuition	539,899	(49,899)	490,000	490,000	
Other purchased services		15,373	15,373	15,373	
General supplies		127,604	127,604	118,474	9,130
Textbooks	28,097	15,432	43,529	42,968	561
Other Objects		541	541	527	14
Total instruction	982,724	133,184	1,115,908	1,019,928	95,980
Support services:					
Salaries of other professional staff		19,009	19,009	10,465	8,544
Salaries of secretaries & clerical assistants		2,000	2,000	2,000	
Other salaries		19,775	19,775	15,078	4,697
Personal services - employee benefits		20,790	20,790	13,841	6,949
Purchased professional - educ. services	7,342	167,583	174,925	138,597	36,328
Purchased professional and technical services	38,999	27,609	66,608	66,545	63
Travel	35,621	71,742	107,363	91,653	15,710
Tuition					
Other purchased services (400-500)		29,148	29,148	22,808	6,340
Supplies and materials	103,613	(96,828)	6,785	5,783	1,002
Total support services	185,575	260,828	446,403	366,770	79,633
Facilities acquisition and construction services:					
Building					
Non- Instructional equipment					
Total facilities acq. and const. services					
Total expenditures	1,168,299	394,012	1,562,311	1,386,698	175,613
Total outflows	1,168,299	394,012	1,562,311	1,386,698	175,613
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

DELRAN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 42,148,294	\$ 1,386,698
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,067,325	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,080,927)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 42,134,692</u>	<u>\$ 1,386,698</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 43,785,163	\$ 1,386,698
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 43,785,163</u>	<u>\$ 1,386,698</u>

Other Supplementary Information

Special Revenue Fund

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2014

	Brought Forward (Exh. E-1B)	Brought Forward (Exh. E-1C)	Brought Forward (Exh. E-1D)	Brought Forward (Exh. E-1E)	Total
REVENUES:					
Local sources		\$ 2,691			\$ 2,691
State sources	\$ 165,868		\$ 94,827		260,695
Federal sources		435,373	666,441	\$ 21,498	1,123,312
Total Revenues	165,868	438,064	761,268	21,498	1,386,698
EXPENDITURES:					
Instruction:					
Salaries of teachers		150,580		3,888	154,468
Professional education services	136,716	32,075		175	168,966
Tuition			490,000		490,000
Professional technical services	29,152				29,152
Other purchased services			15,373		15,373
General supplies		83,680	24,451	10,343	118,474
Textbooks			42,968		42,968
Other Objects				527	527
Total instruction	165,868	266,335	572,792	14,933	1,019,928
Support services:					
Salaries of other professional staff		10,465			10,465
Salaries of secretaries & clerical assistants		2,000			2,000
Other salaries		15,078			15,078
Personal services-employee benefits		13,544		297	13,841
Purchased prof. and educational services		15,583	117,627	5,387	138,597
Purchase professional and technical services			66,545		66,545
Travel		86,819	4,304	530	91,653
Other purchased services (400-500)		22,808			22,808
Supplies and materials		5,432		351	5,783
Total support services		171,729	188,476	6,565	366,770
Facilities acquisition and const. serv.:					
Building					
Non- Instructional equipment					
Total facilities acquisition and const. serv.:					
Total Expenditures	165,868	438,064	761,268	21,498	1,386,698
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)					

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2014

	Chapter 192 - Auxillary Services		Chapter 193 - Handicapped Services			Carried Forward (Exh. E-1A)
	Comp. Education	ESL	Corrective Speech	Suppl. Instruction	Exam & Classification	
REVENUES:						
Local sources						
State sources	\$ 86,028	\$ 19,031	\$ 4,452	\$ 27,205	\$ 29,152	\$ 165,868
Federal sources						
Total Revenues	86,028	19,031	4,452	27,205	29,152	165,868
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Professional education services	86,028	19,031	4,452	27,205		136,716
Professional technical services					29,152	29,152
Other Objects						
Total instruction	86,028	19,031	4,452	27,205	29,152	165,868
Support services:						
Personal services-employee benefits						
Purchased prof. and educational services						
Purchase professional and technical services						
Travel						
Tuition						
Other purchased services (400-500)						
Supplies and materials						
Total support services						
Facilities acquisition and const. serv.:						
Instructional equipment						
Total facilities acquisition and const. serv.:						
Total Expenditures	86,028	19,031	4,452	27,205	29,152	165,868
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)						

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2014

	Alice Paul Grant	E.S.E.A. as amended by No Child Left Behind (N.C.L.B.)				Carried Forward (Exh. E-1A)
		Title I Current Yr.	Title I Prior Yr.	Title II-A Current Yr.	Title II-A Prior Yr.	
REVENUES:						
Local sources	\$ 2,691					\$ 2,691
State sources						
Federal sources		\$ 250,969	\$ 134,548	\$ 39,502	\$ 10,354	435,373
Total Revenues	2,691	250,969	134,548	39,502	10,354	438,064
EXPENDITURES:						
Instruction:						
Salaries of teachers	2,500	64,717	79,544	2,734	1,085	150,580
Professional education services		32,075				32,075
General supplies		77,950	5,730			83,680
Textbooks						
Other Objects						
Total instruction	2,500	174,742	85,274	2,734	1,085	266,335
Support services:						
Salaries of other professional staff		10,465				10,465
Salaries of secretaries & clerical assistants		2,000				2,000
Other salaries			9,800	5,278		15,078
Personal services-employee benefits	191	5,905	6,835	613		13,544
Purchased prof. and educational services		3,100		7,483	5,000	15,583
Travel		54,757	9,819	17,974	4,269	86,819
Other purchased services (400-500)			22,808			22,808
Supplies and materials			12	5,420		5,432
Other objects						
Total support services	191	76,227	49,274	36,768	9,269	171,729
Facilities acquisition and const. serv.:						
Instructional equipment						
Total facilities acquisition and const. serv.:						
Total Expenditures	2,691	250,969	134,548	39,502	10,354	438,064
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)						

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2014

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	IDEA		RTTP Current Yr.	Carried Forward (Exh. E-1A)
				Basic Current Yr.	Preschool Current Yr.		
REVENUES:							
Local sources							
State sources	\$ 33,995	\$ 49,022	\$ 11,810	\$ 627,720	\$ 21,198	\$ 17,523	\$ 94,827
Federal sources							666,441
Total Revenues	33,995	49,022	11,810	627,720	21,198	17,523	761,268
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Professional education services							
Professional technical services							
Tuition				490,000			490,000
Other purchased services					15,373		15,373
General supplies			11,810	9,641	3,000		24,451
Textbooks	33,995			8,973			42,968
Misc. Expenditures							
Total instruction	33,995		11,810	508,614	18,373		572,792
Support services:							
Personal services-employee benefits							
Purchased prof. and educational services				114,802	2,825		117,627
Purchase professional and technical services		49,022				17,523	66,545
Travel				4,304			4,304
Miscellaneous expenditures							
Total support services		49,022		119,106	2,825	17,523	188,476
Facilities acquisition and const. serv.:							
Building							
Non- Instructional equipment							
Total facilities acquisition and const. serv.:							
Total Expenditures	33,995	49,022	11,810	627,720	21,198	17,523	761,268
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)							

DELRAN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2014

	<u>Title III</u>	<u>Title III</u>	<u>Title III</u>	<u>Carried</u>
	<u>Immigrant - PY</u>	<u>Current Yr.</u>	<u>Prior Yr.</u>	<u>Forward</u>
				<u>(Exh. E-1A)</u>
REVENUES:				
Local sources				
State sources				
Federal sources	\$ 5,836	\$ 10,799	\$ 4,863	\$ 21,498
Total Revenues	<u>5,836</u>	<u>10,799</u>	<u>4,863</u>	<u>21,498</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers		2,146	1,742	3,888
Professional education services			175	175
General supplies	5,276	3,051	2,016	10,343
Textbooks				
Other objects	<u>341</u>	<u>186</u>		<u>527</u>
Total instruction	<u>5,617</u>	<u>5,383</u>	<u>3,933</u>	<u>14,933</u>
Support services:				
Other salaries				
Personal services-employee benefits		164	133	297
Purchased prof. and educational services		5,077	310	5,387
Travel	43		487	530
Supplies and materials	176	175		351
Other objects				
Total support services	<u>219</u>	<u>5,416</u>	<u>930</u>	<u>6,565</u>
Facilities acquisition and const. serv.:				
Instructional equipment				
Total facilities acquisition and const. serv.:				
Total Expenditures	<u>5,836</u>	<u>10,799</u>	<u>4,863</u>	<u>21,498</u>
Excess (Deficiency) of revenues over (under)				
expenditures and other financing sources (uses)				

Capital Projects Fund

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2014

Revenues and Other Financing Sources:

Interest earned on investments	\$ -
Total revenues and other financing sources	<u> </u>

Expenditures and Other Financing (Uses):

Purchased professional services	\$ 459
Construction services	36,397
Other objects	17,618
Transfer to debt service for interest earned	
Total expenditures and other financing (uses)	<u>54,474</u>

Excess (deficiency) or revenues over (under) expenditures (54,474)

Fund Balance - July 1, 2013 143,044

Fund Balance - June 30, 2014 \$ 88,570

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements to District Facilities
From Inception and for the Fiscal Year ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant				
Transfer from capital reserve				
Bond proceeds	\$ 25,858,000		\$ 25,858,000	\$ 25,858,000
Total revenues	<u>25,858,000</u>	<u></u>	<u>25,858,000</u>	<u>25,858,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	3,738,193	\$ 459	3,738,652	3,738,652
Construction services	21,325,473	36,397	21,361,870	21,361,870
Other Objects	651,290	17,618	668,908	668,908
Total expenditures	<u>25,714,956</u>	<u>54,474</u>	<u>25,769,430</u>	<u>25,769,430</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 143,044</u>	<u>\$ (54,474)</u>	<u>\$ 88,570</u>	<u>\$ 88,570</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/09/08			
Bonds Authorized	\$25,858,000			
Bonds Issued	\$25,858,000			
Original Authorized Cost	\$25,858,000			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$25,858,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	06/30/12			
Revised target completion date	N/A			

DELRAN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2014

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction and various improvements to the District's facilities	12/9/08	<u>\$ 25,858,000</u>	<u>\$ 25,714,956</u>	<u>\$ 54,474</u>	<u>\$ 88,570</u>
Total		<u>\$ 25,858,000</u>	<u>\$ 25,714,956</u>	<u>\$ 54,474</u>	<u>\$ 88,570</u>

Proprietary Funds

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
as of June 30, 2014

	Food Service Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 454,404
Accounts receivable:	
State	630
Federal	23,755
Other	2,722
Interfund	
Inventories	8,925
Total current assets	490,436
Fixed assets:	
Equipment	645,969
Less Accumulated depreciation	(431,666)
Total fixed assets	214,303
Total assets	\$ 704,739
LIABILITIES:	
Current liabilities:	
Unearned revenue	\$ 12,764
Total current liabilities	12,764
NET POSITION:	
Net investment in capital assets	214,303
Unreserved retained earnings	477,672
Total Net Position	\$ 691,975

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Revenues, Expenses and Change in Fund Net Position
for the Fiscal Year ended June 30, 2014

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 358,117
Total-daily sales-reimbursable programs	358,117
Daily sales non-reimbursable programs	345,162
Total operating revenue	<u>703,279</u>
OPERATING EXPENSES:	
Salaries	369,888
Benefits	90,745
Supplies and materials	36,044
Depreciation	33,330
Management fee	56,562
Software/Equipment	12,295
Repairs and maintenance of equipment	8,180
Cost of sales	453,427
Direct services	34,348
Other	
Total operating expenses	<u>1,094,819</u>
Operating income (loss)	<u>(391,540)</u>
Non-operating revenues:	
State sources:	
State school lunch program	11,440
Federal sources:	
National school lunch program	317,812
National school breakfast program	70,306
U.S.D.A. commodities	78,607
Interest revenue	
Total non-operating revenues	<u>478,165</u>
Net income (loss)	86,625
Net Position - July 1	<u>605,350</u>
Net Position - June 30	<u>\$ 691,975</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Years ended June 30, 2014

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 707,193
Cash payments to employees for services	(460,633)
Cash payments to suppliers for goods and services	(521,812)
Net cash used by operating activities	(275,252)
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	395,835
Net cash provided by noncapital financing activities	395,835
Cash flows from capital financing activities:	
Purchases of fixed assets	(34,070)
Net cash used by capital financing activities	(34,070)
Cash flows from investing activities:	
Interest on investments	-
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	86,513
Cash and cash equivalents, July 1	367,891
Cash and cash equivalents, June 30	\$ 454,404
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (391,540)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	33,330
Federal commodities	78,607
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	(220)
(Increase)/decrease in inventory	437
Increase/(decrease) in accounts payable	
Increase/(decrease) in unearned revenue	4,134
Net cash used by operating activities	\$ (275,252)

Fiduciary Funds

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2014

	<u>Agency Funds</u>		<u>Employee Benefit Trust Funds</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>Unemployment Compensation</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 344,964	\$ 199,453	\$ 171,741	\$ 716,158
TOTAL ASSETS	<u>\$ 344,964</u>	<u>\$ 199,453</u>	<u>\$ 171,741</u>	<u>\$ 716,158</u>
LIABILITIES:				
Accounts payable			4,741	4,741
Payroll deductions and withholdings		199,453		199,453
Due to student groups	344,964			344,964
Total liabilities	<u>344,964</u>	<u>199,453</u>	<u>4,741</u>	<u>549,158</u>
NET POSITION:				
Restricted for:				
Reserved for unemployment claims			167,000	167,000
Total net position	<u>---</u>	<u>---</u>	<u>\$ 167,000</u>	<u>\$ 167,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Statement of Change in Fiduciary Net Position
for the Fiscal Year ended June 30, 2014

	<u>Unemployment Compensation Insurance Fund</u>
REVENUES:	
Local sources:	
Employee contributions	\$ 35,408
Employer contributions	
Interest on Investments	
	<u> </u>
Total Revenues	<u>35,408</u>
 EXPENDITURES:	
Current Expense:	
Undistributed Expenditures:	
Claims paid	47,081
Payables	<u>4,740</u>
	<u> </u>
Total Expenditures	<u>51,821</u>
Excess (deficiency) of revenues over (under) expenditures)	(16,413)
Net Assets July 1	<u>183,413</u>
Net Assets June 30	<u><u>\$ 167,000</u></u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30, 2014</u>	<u>Balance</u> <u>June 30, 2014</u>
Delran School District					
Activity Funds	\$ 307,164	\$ 665,159	\$ 656,909		\$ 315,414
Athletic Funds	<u>5,743</u>	<u>187,958</u>	<u>164,151</u>		<u>29,550</u>
Total	<u>\$ 312,907</u>	<u>\$ 853,117</u>	<u>\$ 821,060</u>	<u>---</u>	<u>\$ 344,964</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and cash equivalents	\$ 186,825	\$ 30,451,840	\$ 30,439,212	\$ 199,453
Total assets	<u>\$ 186,825</u>	<u>\$ 30,451,840</u>	<u>\$ 30,439,212</u>	<u>\$ 199,453</u>
LIABILITIES:				
Payroll deductions and withholdings	186,825	16,296,386	16,283,758	199,453
Net payroll		14,155,453	14,155,453	
Interfund payable		<u>1</u>	<u>1</u>	
Total liabilities	<u>\$ 186,825</u>	<u>\$ 30,451,840</u>	<u>\$ 30,439,212</u>	<u>\$ 199,453</u>

Long-Term Debt Schedules

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
Refunding Bonds	11/15/1998	\$ 7,095,000	07/15/2014 07/15/2015	\$ 720,000 710,000	4.20% 4.25%	\$ 2,160,000		\$ 730,000	\$ 1,430,000
Refunding Bonds	9/15/2005	\$ 3,715,000	01/15/2015 01/15/2016 01/15/2017 01/15/2018 01/15/2019 01/15/2020 01/15/2021 01/15/2022 01/15/2023	245,000 255,000 265,000 275,000 285,000 300,000 310,000 320,000 330,000	4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.050%	2,815,000		230,000	2,585,000
Balance Forward						<u>\$ 4,975,000</u>	<u>-</u>	<u>\$ 960,000</u>	<u>\$ 4,015,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
Balance brought forward						\$ 4,975,000		\$ 960,000	\$ 4,015,000
School Bonds	7/15/2009	\$ 25,858,000	07/15/2014	\$ 365,000	4.000%	25,243,000		315,000	24,928,000
			07/15/2015	420,000	4.000%				
			07/15/2016	1,160,000	4.000%				
			07/15/2017	1,210,000	4.000%				
			07/15/2018	1,260,000	4.000%				
			07/15/2019	1,305,000	4.000%				
			07/15/2020	1,365,000	4.000%				
			07/15/2021	1,420,000	4.125%				
			07/15/2022	1,480,000	4.125%				
			07/15/2023	1,885,000	4.125%				
			07/15/2024	1,965,000	4.125%				
			07/15/2025	2,045,000	4.125%				
			07/15/2026	2,130,000	4.250%				
			07/15/2027	2,215,000	4.250%				
			07/15/2028	2,305,000	4.375%				
			07/15/2029	2,398,000	4.500%				
						<u>\$ 30,218,000</u>	<u>-</u>	<u>\$1,275,000</u>	<u>\$ 28,943,000</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Capital Leases
June 30, 2014

Description	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2013	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2014
Phone System	2.050%	\$ 287,800	\$ 227,881	\$ -	\$ 55,249	\$ 172,632
Brodcade Network Switches	2.170%	177,651		177,651	37,072	140,579
Dell Computers	5.090%	162,331		162,331	57,262	105,069
Total			<u>\$ 227,881</u>	<u>\$ 339,982</u>	<u>\$ 149,583</u>	<u>\$ 418,280</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,090,932		\$ 2,090,932	\$ 2,090,932	
Miscellaneous					
Total revenues - local sources	<u>2,090,932</u>		<u>2,090,932</u>	<u>2,090,932</u>	
State sources:					
Debt service aid type II	483,543		483,543	483,543	
Total revenues - state sources	<u>483,543</u>		<u>483,543</u>	<u>483,543</u>	
Total Revenues	<u>2,574,475</u>		<u>2,574,475</u>	<u>2,574,475</u>	
EXPENDITURES:					
Regular debt service:					
Redemption of principal	1,354,515		1,354,515	1,354,515	
Interest on bonds	1,236,235		1,236,235	1,236,234	\$ 1
Total Expenditures	<u>2,590,750</u>		<u>2,590,750</u>	<u>2,590,749</u>	<u>1</u>
Excess (Deficiency) of revenues over (under) expenditures	(16,275)		(16,275)	(16,274)	1
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund					
Total Other Financing Sources (Uses)					
Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(16,275)		(16,275)	(16,274)	1
Fund Balances, July 1	<u>16,772</u>		<u>16,772</u>	<u>16,772</u>	
Fund Balances, June 30	<u>\$ 497</u>		<u>\$ 497</u>	<u>\$ 498</u>	<u>\$ 1</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ (16,275)</u>		<u>\$ (16,275)</u>	<u>\$ (16,274)</u>	<u>\$ 1</u>

DELRAN TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of EDA Loans Payable
June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance	Issued	Retired	Balance
			Date	Amount		July 1, 2013			June 30, 2014
Small Project	08/18/1993	\$ 867,788				\$ 64,290		\$ 64,290	\$ -
Safe Program	08/18/1993	289,263				15,224		15,224	
						<u>\$ 79,514</u>	<u>-</u>	<u>\$ 79,514</u>	<u>\$ -</u>

Statistical Section

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

Exhibit J-1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 3,925,653	\$ 2,588,697	\$ 3,295,486	\$ 4,226,078	\$ 5,221,496	\$ (14,312,597)	\$ (967,535)	\$ 7,020,702	\$ 8,434,666	\$ 9,582,074
Restricted for:										
Special revenue	(3,264)	(3,264)	(3,264)	(3,264)	-	-	-	-	-	-
Capital projects	184,135	189,971	189,971	849,032	1,356,230	21,479,919	9,217,174	2,507,499	143,044	88,570
Debt service	54,335	78,480	(10,342)	(52,579)	(86,248)	(701,109)	(213,011)	184,770	16,772	498
Other purposes	4,336,975	4,578,650	7,062,578	7,915,528	7,282,414	3,875,254	2,529,736	3,466,309	5,342,050	3,931,940
Unrestricted	(726,702)	(773,946)	(721,550)	(683,683)	(1,728,251)	(788,526)	(342,961)	(1,166,724)	(1,361,007)	(1,294,478)
Total governmental activities net position	<u>\$ 7,771,132</u>	<u>\$ 6,658,588</u>	<u>\$ 9,812,879</u>	<u>\$ 12,251,112</u>	<u>\$ 12,045,641</u>	<u>\$ 9,552,941</u>	<u>\$ 10,223,403</u>	<u>\$ 12,012,556</u>	<u>\$ 12,575,525</u>	<u>\$ 12,308,604</u>
Business-type activities:										
Net investment in capital assets	\$ 198,486	\$ 288,284	\$ 256,477	\$ 224,670	\$ 195,690	\$ 192,514	\$ 164,259	\$ 176,928	\$ 215,563	\$ 214,303
Unrestricted	134,816	135,123	170,470	195,764	273,440	330,327	408,582	411,440	391,787	477,672
Total business-type activities net position	<u>\$ 333,302</u>	<u>\$ 423,407</u>	<u>\$ 426,947</u>	<u>\$ 420,434</u>	<u>\$ 469,130</u>	<u>\$ 522,841</u>	<u>\$ 572,841</u>	<u>\$ 588,368</u>	<u>\$ 607,350</u>	<u>\$ 691,975</u>
District-wide:										
Net investment in capital assets	\$ 4,124,139	\$ 2,876,981	\$ 3,551,963	\$ 4,450,748	\$ 5,417,186	\$ (14,120,083)	\$ (803,276)	\$ 7,197,630	\$ 8,650,229	\$ 9,796,377
Restricted:										
Special revenue	(3,264)	(3,264)	(3,264)	(3,264)	-	-	-	-	-	-
Capital projects	184,135	189,971	189,971	849,032	1,356,230	21,479,919	9,217,174	2,507,499	143,044	88,570
Debt service	54,335	78,480	(10,342)	(52,579)	(86,248)	(701,109)	(213,011)	184,770	16,772	498
Other purposes	4,336,975	4,578,650	7,062,578	7,915,528	7,282,414	3,875,254	2,529,736	3,466,309	5,342,050	3,931,940
Unrestricted	(591,886)	(638,823)	(551,080)	(487,919)	(1,454,811)	(458,199)	65,621	(755,284)	(969,220)	(816,806)
Total district net position	<u>\$ 8,104,434</u>	<u>\$ 7,081,995</u>	<u>\$ 10,239,826</u>	<u>\$ 12,671,546</u>	<u>\$ 12,514,771</u>	<u>\$ 10,075,782</u>	<u>\$ 10,796,244</u>	<u>\$ 12,600,924</u>	<u>\$ 13,182,875</u>	<u>\$ 13,000,579</u>

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

Exhibit J-2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 14,441,904	\$ 12,470,692	\$ 12,380,846	\$ 13,161,949	\$ 14,396,344	\$ 13,033,498	\$ 12,943,169	\$ 12,361,189	\$ 12,889,137	\$ 13,585,210
Special education	2,138,033	2,110,993	2,109,361	2,330,219	3,201,869	3,795,323	3,572,329	3,587,291	3,824,781	4,022,642
Other instruction	1,025,332	768,041	790,876	890,677	1,013,788	1,187,641	1,101,835	1,128,614	1,201,593	1,217,019
Support Services:										
Tuition	1,464,486	1,262,825	1,242,768	1,284,943	1,495,174	1,081,770	1,356,143	1,745,432	1,778,003	2,079,494
Student & instruction related services	3,527,780	3,760,279	3,535,523	3,922,247	3,751,828	4,399,657	3,966,987	4,148,865	4,491,056	4,802,353
School administrative services	1,466,762	1,871,216	1,164,681	1,208,038	1,322,191	1,336,227	1,356,442	1,432,907	1,630,873	1,567,995
General and business administrative services	1,756,597	773,888	1,412,575	1,418,003	1,414,539	1,545,657	1,400,947	1,407,930	1,390,571	1,491,862
Plant operations and maintenance	3,761,686	4,454,796	3,318,621	3,807,123	3,803,935	3,757,852	3,837,723	3,629,140	4,465,667	4,253,137
Pupil transportation	2,489,856	2,005,501	1,988,912	2,082,499	2,471,071	2,226,338	2,496,052	2,665,982	2,672,346	2,262,203
Business and other support services										
Unallocated employee benefits		5,989,623	6,283,323	7,210,921	7,031,078	7,900,143	8,182,693	8,211,029	9,534,225	9,802,155
Special schools										
Charter schools										
Interest on long-term debt	585,170	507,006	480,644	439,576	388,309	1,379,222	1,360,773	1,321,345	1,291,209	1,236,235
Unallocated depreciation	60,960	67,865	68,598	64,480	63,600	67,622	66,101	65,478	6,910	42,481
Total governmental activities expenses	<u>32,718,566</u>	<u>36,042,725</u>	<u>34,776,728</u>	<u>37,820,675</u>	<u>40,353,726</u>	<u>41,710,950</u>	<u>41,641,194</u>	<u>41,705,202</u>	<u>45,176,371</u>	<u>46,362,786</u>
Business-type activities:										
Food service	812,424	873,115	861,220	923,356	966,803	993,206	938,826	1,015,497	1,070,224	1,094,819
Total business-type activities expense	<u>812,424</u>	<u>873,115</u>	<u>861,220</u>	<u>923,356</u>	<u>966,803</u>	<u>993,206</u>	<u>938,826</u>	<u>1,015,497</u>	<u>1,070,224</u>	<u>1,094,819</u>
Total district expenses	<u>\$ 33,530,990</u>	<u>\$ 36,915,840</u>	<u>\$ 35,637,948</u>	<u>\$ 38,744,031</u>	<u>\$ 41,320,529</u>	<u>\$ 42,704,156</u>	<u>\$ 42,580,020</u>	<u>\$ 42,720,699</u>	<u>\$ 46,246,595</u>	<u>\$ 47,457,605</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 3,104,112	\$ 3,805,024	\$ 4,492,975	\$ 5,068,069	\$ 3,993,923	\$ 4,630,190	\$ 4,418,345	\$ 4,655,117	\$ 4,777,516	\$ 5,020,135
Total governmental activities program revenues	<u>3,104,112</u>	<u>3,805,024</u>	<u>4,492,975</u>	<u>5,068,069</u>	<u>3,993,923</u>	<u>4,630,190</u>	<u>4,418,345</u>	<u>4,655,117</u>	<u>4,777,516</u>	<u>5,020,135</u>

(Continued)

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

Exhibit J-2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Food service	\$ 669,204	\$ 679,865	\$ 684,291	\$ 698,247	\$ 753,695	\$ 732,684	\$ 697,438	\$ 703,921	\$ 668,896	\$ 703,279
Operating grants and contributions	150,323	157,412	173,003	212,821	259,573	311,084	287,425	324,993	417,918	478,165
Capital grants and contributions										
Total business type activities program revenues	819,527	837,277	857,294	911,068	1,013,268	1,043,768	984,863	1,028,914	1,086,814	1,181,444
Total district program revenues	\$ 3,923,639	\$ 4,642,301	\$ 5,350,269	\$ 5,979,137	\$ 5,007,191	\$ 5,673,958	\$ 5,403,208	\$ 5,684,031	\$ 5,864,330	\$ 6,201,579
Net (Expense)/Revenue:										
Governmental activities	(29,614,454)	(32,237,701)	(30,283,753)	(32,752,606)	(36,359,803)	(37,080,760)	(37,222,849)	(37,050,085)	(40,398,855)	(41,342,651)
Business-type activities	7,103	(35,838)	(3,926)	(12,288)	46,465	50,562	46,037	13,417	16,590	86,625
Total district-wide net expense	(29,607,351)	(32,273,539)	(30,287,679)	(32,764,894)	(36,313,338)	(37,030,198)	(37,176,812)	(37,036,668)	(40,382,265)	(41,256,026)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	20,230,922	20,668,867	22,780,246	23,729,696	22,966,971	24,062,969	24,790,975	25,383,164	26,290,827	26,816,644
Taxes levied for debt service	1,079,175	1,094,990	1,095,818	1,121,154	1,112,255	1,061,880	2,084,404	1,864,473	1,942,891	2,090,932
Unrestricted grants and contributions	9,142,045	8,892,981	8,966,317	9,465,504	10,959,286	8,909,354	10,436,232	11,330,345	12,240,166	11,949,588
Investment earnings	109,711	261,326	376,447	333,393	149,001	376,633	249,539	45,436	103,035	104,203
Miscellaneous income	114,857	206,993	219,216	541,092	966,819	177,224	332,161	215,820	767,136	114,363
Transfers										
Total governmental activities	30,676,710	31,125,157	33,438,044	35,190,839	36,154,332	34,588,060	37,893,311	38,839,238	41,344,055	41,075,730
Business-type activities:										
Investment earnings	2,143	4,338	7,466	5,775	2,231	3,149	3,963	2,110	392	-
Transfers										
Total business-type activities	2,143	4,338	7,466	5,775	2,231	3,149	3,963	2,110	392	-
Total district-wide	\$ 30,678,853	\$ 31,129,495	\$ 33,445,510	\$ 35,196,614	\$ 36,156,563	\$ 34,591,209	\$ 37,897,274	\$ 38,841,348	\$ 41,344,447	\$ 41,075,730
Change in Net Position:										
Governmental activities	\$ 1,062,256	\$ (1,112,544)	\$ 3,154,291	\$ 2,438,233	\$ (205,471)	\$ (2,492,700)	\$ 670,462	\$ 1,789,153	\$ 945,200	\$ (266,921)
Business-type activities	9,246	(31,500)	3,540	(6,513)	48,696	53,711	50,000	15,527	16,982	86,625
Total district-wide	\$ 1,071,502	\$ (1,144,044)	\$ 3,157,831	\$ 2,431,720	\$ (156,775)	\$ (2,438,989)	\$ 720,462	\$ 1,804,680	\$ 962,182	\$ (180,296)

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

Exhibit J-3

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved for:										
Encumbrances	\$ 35,884	\$ 181,285	\$ 335,644	\$ 59,051	\$ 312,789	\$ 57,849	\$ 44,859	\$ 105,738	\$ 214,577	\$ 72,938
Maintenance reserve				300,000	300,000	300,000	300,000	300,000	300,000	156,325
Capital reserve				600,000	1,107,198	1,118,432	1,389,314	1,847,731	1,551,146	1,102,219
Legally restricted			40,959	13,839	257,647	247,093	600,000	400,000	909,015	621,248
Excess surplus	3,919,312	4,397,365	6,685,975	7,542,638	6,411,978	3,270,312	1,584,877	2,660,571	2,367,312	1,979,210
Unreserved	555,196	228,572	252,457	287,635	(117,525)	(176,790)	103,435	(33,044)	62,240	161,861
Total general fund	<u>\$ 4,510,392</u>	<u>\$ 4,807,222</u>	<u>\$ 7,315,035</u>	<u>\$ 8,803,163</u>	<u>\$ 8,272,087</u>	<u>\$ 4,816,896</u>	<u>\$ 4,022,485</u>	<u>\$ 5,280,996</u>	<u>\$ 5,404,290</u>	<u>\$ 4,093,801</u>
All Other Governmental Funds										
Reserved:										
Encumbrances						\$ 5,267,712	\$ 5,267,712	\$ 532,688	\$ 119,180	\$ 15,165
Debt service reserve	\$ 170,447	\$ 171,721	\$ 174,692	\$ 105,500	\$ 105,500					
Unreserved, reported in:										
Special revenue fund	(3,264)	(3,264)	(3,264)	(3,264)						
Capital projects fund	184,135	189,971	189,971	143,532	143,532	2,560,148	2,560,148	127,080	23,864	73,405
Debt service fund	40,186	55,057	34,470	146,006	88,765	412,472	412,472	184,770	16,772	498
Total all other governmental funds	<u>\$ 391,504</u>	<u>\$ 413,485</u>	<u>\$ 395,869</u>	<u>\$ 391,774</u>	<u>\$ 337,797</u>	<u>\$ 8,240,332</u>	<u>\$ 8,240,332</u>	<u>\$ 844,538</u>	<u>\$ 159,816</u>	<u>\$ 89,068</u>

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

Exhibit J-4

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 21,310,097	\$ 21,763,857	\$ 23,876,064	\$ 24,850,850	\$ 24,079,226	\$ 25,124,849	\$ 26,875,379	\$ 27,247,637	\$ 28,233,718	\$ 28,907,576
Tuition charges	13,511	13,164	40,900	23,982	19,847	7,929	17,962	45,436	103,035	104,203
Interest earnings	109,711	261,326	395,882	333,393	149,001	249,459	173,375	57,426	1,983	-
Miscellaneous	101,346	193,829	165,233	522,481	956,133	296,469	400,240	170,106	773,798	117,054
State sources	11,906,610	11,887,800	12,580,096	13,646,901	14,010,276	10,290,352	13,538,492	14,430,812	16,004,392	15,793,662
Federal sources	749,066	810,205	872,844	881,301	933,772	3,249,192	1,306,208	1,542,938	1,010,364	1,173,370
Total revenue	<u>34,190,341</u>	<u>34,930,181</u>	<u>37,931,019</u>	<u>40,258,908</u>	<u>40,148,255</u>	<u>39,218,250</u>	<u>42,311,656</u>	<u>43,494,355</u>	<u>46,127,290</u>	<u>46,095,865</u>
Expenditures										
Instruction										
Regular Instruction	10,776,010	11,789,308	11,682,456	12,586,255	13,190,862	13,133,971	12,219,571	11,896,904	12,259,661	12,877,848
Special education instruction	1,736,708	1,993,590	2,109,361	2,330,219	3,201,869	3,795,323	3,572,329	3,587,291	3,824,781	4,022,642
Other instruction	832,869	768,041	790,876	890,677	1,013,788	1,187,641	1,101,835	1,128,614	1,201,593	1,217,019
Support Services:										
Tuition	1,464,486	1,262,825	1,242,768	1,284,943	1,495,174	1,081,770	1,356,143	1,745,432	1,778,003	2,079,494
Student & instruction related services	2,865,589	3,215,145	3,535,523	3,922,247	3,751,828	4,399,657	3,966,987	4,148,865	4,491,056	4,802,353
School administrative services	1,191,440	1,207,143	1,164,681	1,208,038	1,322,191	1,336,227	1,356,442	1,407,930	1,533,690	1,567,995
General and business admin. services	1,358,984	1,354,814	1,327,956	1,332,288	1,330,582	1,466,900	1,325,230	1,358,437	1,390,571	1,396,782
Plant operations and maintenance	2,974,677	3,218,575	3,254,389	3,913,069	3,733,560	3,942,649	3,671,948	3,300,342	3,972,164	4,180,860
Pupil transportation	2,045,134	2,005,501	1,988,912	2,082,499	2,471,071	2,226,338	2,496,052	2,665,982	2,672,346	2,262,203
Employee benefits	5,393,640	5,989,623	6,283,323	7,210,921	7,031,078	7,900,143	8,182,693	8,211,029	9,534,225	9,802,155
Capital outlay	891,799	1,949,424	577,093	855,066	627,153	6,492,769	13,604,868	7,586,870	1,725,450	1,016,984
Debt service:										
Principal	809,580	702,187	978,164	1,035,158	1,152,271	1,164,415	1,929,409	1,344,788	1,301,769	1,354,515
Interest and other charges	590,390	705,194	505,320	460,495	411,881	360,116	936,725	1,249,154	1,291,209	1,236,234
Total expenditures	<u>32,931,306</u>	<u>36,161,370</u>	<u>35,440,822</u>	<u>39,111,875</u>	<u>40,733,308</u>	<u>48,487,919</u>	<u>55,720,232</u>	<u>49,631,638</u>	<u>46,976,518</u>	<u>47,817,084</u>
Excess (Deficiency) of revenues over (under) expenditures	1,259,035	(1,231,189)	2,490,197	1,147,033	(585,053)	(9,269,669)	(13,408,576)	(6,137,283)	(849,228)	(1,721,219)
Other Financing sources (uses)										
Proceeds from borrowing	650,000	1,550,000	-	-	-	25,858,000	-	-	-	-
Accrued interest on sale of bonds	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	337,000	-	473,178	-	-	287,800	339,982
Transfers in	-	-	16,464	129,422	5,523	487,257	168,493	16,271	495	-
Transfers out	-	-	(16,464)	(129,422)	(5,523)	(487,257)	(168,493)	(16,271)	(495)	-
Total other financing sources (uses)	<u>650,000</u>	<u>1,550,000</u>	<u>-</u>	<u>337,000</u>	<u>-</u>	<u>26,331,178</u>	<u>-</u>	<u>-</u>	<u>287,800</u>	<u>339,982</u>
Net change in fund balances	<u>\$ 1,909,035</u>	<u>\$ 318,811</u>	<u>\$ 2,490,197</u>	<u>\$ 1,484,033</u>	<u>\$ (585,053)</u>	<u>\$ 17,061,509</u>	<u>\$ (13,408,576)</u>	<u>\$ (6,137,283)</u>	<u>\$ (561,428)</u>	<u>\$ (1,381,237)</u>
Debt service as a percentage of noncapital expenditures	4.37%	4.11%	4.26%	3.91%	3.90%	3.63%	6.81%	6.17%	5.73%	5.54%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Exhibit J-5

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<u>Fiscal Year Ending June 30.</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Other Refunds</u>	<u>Shared Services</u>	<u>Sale of Used Equipment</u>	<u>Miscellaneous</u>	<u>Total</u>
2005	\$ 109,711	\$ 13,511		\$ 13,379	\$ 18,273	\$ 67,455		\$ 504	\$ 1,735	\$ 224,568
2006	261,326	13,164		16,014	28,147	73,924			56,889	449,464
2007	376,447	40,900	\$ 33,780	80,081	13,603	28,974			2,354	576,139
2008	319,602	23,982	1,019	480,577	15,951	9,928		5,104	4,531	860,694
2009	143,478	19,847	31,500	859,384	12,284	32,663			10,916	1,110,072
2010	127,174	7,929	16,227	81,676	5,986	49,491			6,329	294,812
2011	81,046	17,962	26,480	172,231	21,476	62,305			31,707	413,207
2012	35,355	45,436	30,863	73,824	30,352	17,256			6,099	239,185
2013	9,006	103,035	94,364	616,259	26,157	19,020			1,835	869,676
2014	6,315	104,203	14,286	44,135	10,012	18,240	\$ 15,000		6,375	218,566
	<u>\$ 1,210,564</u>	<u>\$ 119,333</u>	<u>\$ 82,526</u>	<u>\$ 590,051</u>	<u>\$ 88,258</u>	<u>\$ 180,281</u>	<u>\$ 15,000</u>	<u>\$ 5,608</u>	<u>\$ 65,509</u>	<u>\$ 2,110,865</u>

Source: District records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax- Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2005	\$ 15,137,600	\$1,179,037,100	\$ 2,823,700	\$ 184,700	\$ 248,448,500	\$ 2,869,100	\$ 62,667,200	\$1,511,167,900	\$ 2,331,443	\$1,513,499,343	\$ 86,532,500	\$ 1.423	\$ 1,320,051,210
2006	16,076,800	1,194,659,100	2,823,700	179,900	251,286,400	2,869,100	62,667,200	1,530,562,200	2,132,086	1,532,694,286	87,260,700	1.490	1,556,306,477
2007	11,987,800	1,199,464,900	2,823,700	179,900	268,014,700	2,869,100	62,667,200	1,548,007,300	1,956,648	1,549,963,948	87,338,600	1.572	1,753,458,732
2008	10,615,400	1,207,542,700	2,823,700	179,900	174,869,700	97,679,200	60,038,300	1,553,748,900	2,056,707	1,555,805,607	91,067,000	1.573	1,857,796,056
2009	10,835,400	1,209,423,100	2,823,700	179,900	177,794,200	100,366,400	60,038,300	1,561,461,000	2,232,503	1,563,693,503	92,044,000	1.573	1,879,230,871
2010	11,141,100	1,209,484,800	2,567,800	157,500	181,397,500	99,666,400	60,038,300	1,564,453,400	2,217,978	1,566,671,378	94,488,000	1.659	1,847,618,019
2011	11,153,500	1,207,677,800	2,567,800	157,500	182,561,200	98,921,200	60,038,300	1,563,077,300	1,938,751	1,565,016,051	94,152,600	1.730	1,786,214,752
2012	8,652,500	1,077,936,200	2,079,700	176,400	170,578,392	93,005,700	54,979,400	1,407,408,292	2,167,078	1,409,575,370	94,024,900	1.954	1,676,731,931
2013	8,661,300	1,078,760,400	2,079,700	176,400	170,339,392	91,643,700	54,979,400	1,406,640,292	1,793,488	1,408,433,780	92,892,800	2.042	1,595,150,639
2014	8,788,000	1,077,322,500	2,101,800	165,100	169,197,092	88,908,700	55,459,400	1,401,942,592	1,428,041	1,403,370,633	101,459,700	2.113	1,556,849,076

Source: Municipal Tax Assessor

Note:

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

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Information not available.

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

Exhibit J-7

Fiscal Year Ended June 30,	Delan School District Direct Rate			Overlapping Rates		Municipal Open Space	Fire District	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Delran	Burlington County			
2005	\$ 1.352	\$ 0.071	\$ 1.423	\$ 0.406	\$ 0.398	\$ 0.022	\$ 0.101	\$ 2.350
2006	1.419	0.071	1.490	0.443	0.450	0.022	0.108	2.513
2007	1.501	0.071	1.572	0.561	0.477	0.020	0.123	2.753
2008	1.501	0.072	1.573	0.612	0.465	0.020	0.123	2.793
2009	1.504	0.070	1.573	0.637	0.458	0.020	0.103	2.791
2010	1.559	0.100	1.659	0.669	0.449	0.020	0.108	2.905
2011	1.604	0.126	1.730	0.683	0.433	0.020	0.114	2.980
2012	1.819	0.135	1.954	0.744	0.452	0.023	0.127	3.300
2013	1.899	0.143	2.042	0.756	0.431	0.023	0.134	3.386
2014	1.966	0.147	2.113	0.756	0.425	0.023	0.133	3.450

Source: Municipal Tax Collector

Note:

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

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

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

Exhibit J-8

Taxpayer	2013-2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Berk & Berk Hunter's Glen	\$ 40,217,500	2.87%
Whitesell Enterprises	29,745,900	2.12%
New Jersey American Water Co.	28,421,800	2.03%
Hartford Corners	23,391,000	1.67%
Tenby Chase Investors, LLC	16,460,400	1.17%
Simon & Schuster	14,358,700	1.02%
Target	9,598,900	0.68%
Delran Underwood LLC	9,317,200	0.66%
Lowe's	9,096,200	0.65%
KIOP Delran	7,729,400	0.55%
Total	<u>\$ 188,337,000</u>	<u>13.42%</u>

Taxpayer	2004-2005	
	Taxable Assessed Value	% of Total District Net Assessed Value
Hunter's Glen Apartments	\$ 24,700,000	2.91%
Whitesell Enterprises	19,452,400	2.29%
New Jersey American Water	17,303,400	2.04%
Lease Plan (Ball Corp.)	14,446,200	1.70%
Simon & Schuster	11,500,000	1.35%
Tenby Chase Apartments	10,300,000	1.21%
GMAC Commercial Mortgage	7,797,500	0.92%
Home Depot	6,132,600	0.72%
McKesson Cora	5,528,200	0.65%
Delran Holding Corporation	4,900,000	0.58%
Total	<u>\$ 122,060,300</u>	<u>14.37%</u>

Source: Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 19,935,223	\$ 19,935,223	100.00%	-
2006	21,536,976	21,536,976	100.00%	-
2007	22,819,961	22,819,961	100.00%	-
2008	24,363,457	24,363,457	100.00%	-
2009	24,465,038	24,465,038	100.00%	-
2010	24,602,038	24,602,038	100.00%	-
2011	26,000,114	26,000,114	100.00%	-
2012	27,061,508	27,061,508	100.00%	-
2013	27,540,678	27,540,678	100.00%	-
2014	28,770,728	28,770,728	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Capital Leases	EDA Loans	Certificates of Participation Payable	Capital Leases	Total District		
2005	\$ 11,077,000	\$ 897,240	\$ 628,417	\$ 1,285,000	\$ -	\$ 13,887,657	1.91%	806
2006	10,635,000	2,310,388	567,171	1,055,000	-	14,567,559	1.90%	850
2007	9,965,000	1,875,192	504,007	810,000	-	13,154,199	1.67%	778
2008	9,250,000	1,655,206	438,848	555,000	-	11,899,054	1.48%	709
2009	8,435,000	1,080,728	371,578	285,000	-	10,172,306	1.28%	608
2010	33,483,000	787,700	302,162	-	-	34,572,862	4.27%	2,044
2011	32,618,000	286,501	230,437	-	-	33,134,938	3.94%	1,957
2012	31,443,000	104,872	156,283	-	-	31,704,155	3.68%	1,879
2013	30,218,000	79,189	79,514	-	-	30,376,703	c	1,804
2014	28,943,000	418,281	-	-	-	29,361,281	c	c

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 11,077,000	\$ -	\$ 11,077,000	0.73%	643
2006	10,635,000	-	10,635,000	0.69%	621
2007	9,965,000	-	9,965,000	0.64%	590
2008	9,250,000	-	9,250,000	0.59%	551
2009	8,435,000	-	8,435,000	0.54%	504
2010	33,483,000	-	33,483,000	2.14%	1,980
2011	32,618,000	-	32,618,000	2.08%	1,927
2012	31,443,000	-	31,443,000	2.01%	1,863
2013	30,218,000	-	30,218,000	2.15%	1,795
2014	28,943,000	-	28,943,000	2.06%	^c

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

^a See Exhibit J-6 for property tax data.

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

^c Information not available.

**Delran Township School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2013**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Delran	\$ 14,285,223	100.000%	\$ 14,285,223
Burlington County General Obligation Debt	318,797,148	3.443%	10,976,186
			<hr/>
Subtotal, overlapping debt			25,261,409
Delran Township School District Direct Debt			<hr/> 29,173,000 <hr/>
Total direct and overlapping debt			<hr/> \$ 54,434,409 <hr/>

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

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

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

Delran Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2013	\$ 1,554,126,938
	2012	1,587,242,914
	2011	1,663,025,109
	[A]	\$ 4,804,394,961
Average equalized valuation of taxable property	[A/3]	\$ 1,601,464,987
Debt limit (4% of average equalized valuation)	[B]	64,058,599 a
Net bonded school debt	[C]	28,943,000
Legal debt margin	[B-C]	\$ 35,115,599

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 42,197,079	\$ 50,444,298	\$ 59,839,702	\$ 67,896,609	\$ 72,324,384	\$ 73,785,280	\$ 72,946,567	\$ 70,327,689	\$ 67,043,440	\$ 64,058,599
Total net debt applicable to limit	11,077,000	10,635,000	10,659,007	9,878,849	34,293,000	33,483,000	32,618,000	31,443,000	30,218,000	28,943,000
Legal debt margin	\$ 31,120,079	\$ 39,809,298	\$ 49,180,695	\$ 58,017,760	\$ 38,031,384	\$ 40,302,280	\$ 40,328,567	\$ 38,884,689	\$ 36,825,440	\$ 35,115,599
Total net debt applicable to the limit as a percentage of debt limit	26.25%	21.08%	17.81%	14.55%	47.42%	45.38%	44.71%	44.71%	45.07%	45.18%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2005	17,231	\$ 726,476,191	\$ 42,161	3.0%
2006	17,130	766,002,210	44,717	3.3%
2007	16,899	785,887,995	46,505	3.0%
2008	16,787	805,524,195	47,985	4.1%
2009	16,728	795,951,696	47,582	7.1%
2010	16,912	809,222,288	47,849	7.5%
2011	16,929	840,118,554	49,626	7.3%
2012	16,874	861,907,046	51,079	7.2%
2013	16,839	e	e	8.2%
2014	e	e	e	e

Source:

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

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

Exhibit J-16

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	179	188	196	198	200	204	193	196	196	205
Special education	11	12	12	21	27	27	26	31	31	34
Other special education	13	13	13	19	22	22	12	12	13	13
Support Services:										
Student & instruction related services	29	39	46	49	47	48	75	74	76	80
School administrative services	25	17	17	17	17	17	17	17	17	17
General and business administrative services	2	2	2	2	2	4	4	4	4	4
Plant operations and maintenance	13	12	13	12	12	13	12	12	12	12
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	10	11	11	9	8	7	9	9	9	9
Total	283	295	311	328	336	343	349	356	359	375

Source: District Personnel Records

Delran Township School District
Operating Statistics,
Last Ten Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Intermediate	Middle	Senior High School				
2005	2,762	\$ 30,639,537	\$ 11,093	3.85%	233	1:16	1:14	1:12	1:12	2,768	2,634	0.14%	95.16%
2006	2,818	32,804,565	11,641	4.94%	234	1:16	1:14	1:12	1:12	2,805	2,672	1.33%	95.26%
2007	2,818	33,380,245	11,845	1.75%	222	1:16	1:14	1:13	1:11	2,814	2,670	0.32%	94.88%
2008	2,850	36,761,156	12,899	8.89%	238	1:16	1:14	1:13	1:12	2,859	2,717	1.60%	95.03%
2009	2,939	38,542,003	13,114	1.67%	249	1:16	1:14	1:13	1:12	2,891	2,756	1.12%	95.33%
2010	2,984	40,470,619	13,563	3.42%	253	1:16	1:14	1:11	1:12	2,935	2,848	1.52%	97.04%
2011	2,955	39,249,230	13,282	-2.07%	231	1:16	1:14	1:11	1:11	2,914	2,831	-0.72%	97.15%
2012	2,938	39,450,826	13,428	1.10%	239	1:16	1:14	1:11	1:11	2,893	2,812	-0.72%	97.20%
2013	2,887	42,658,090	14,776	10.04%	240	1:16	1:14	1:11	1:11	2,838	2,754	-1.90%	97.04%
2014	2,950	44,209,351	14,986	1.42%	240	1:16	1:14	1:11	1:11	2,956	2,826	4.16%	95.60%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

Exhibit J-18

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
Elementary										
Delran High School (1975)										
Square Feet	147,355	147,355	147,355	147,355	147,355	147,355	147,355	147,355	158,436	158,436
Capacity (students)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	778	782	782	876	901	900	877	867	819	842
Delran Middle School (1960)										
Square Feet	87,800	87,800	87,800	87,800	87,800	87,800	87,800	87,800	100,851	100,851
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	698	713	713	694	670	652	661	672	691	690
Delran Intermediate School (1996)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Capacity (students)	745	745	745	745	745	745	745	745	745	745
Enrollment	646	623	623	600	635	655	663	668	694	689
Millbridge Elementary School (1970)										
Square Feet	74,074	74,074	74,074	74,074	74,074	74,074	74,074	74,074	85,000	85,000
Capacity (students)	945	945	945	945	945	945	945	945	945	945
Enrollment	645	688	688	689	686	728	713	686	634	735

Number of Schools at June 30, 2014

 Elementary = 2
 Middle School = 1
 High School = 1

Source: District Facilities Office

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

Delran Township School District
Schedule of Required Maintenance
Last Ten Years

Exhibit J-19

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

	Project #	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
* School Facilities												
Delran School District												
Milbridge School	N/A	\$ 202,431	\$ 243,292	\$ 230,195	\$ 372,824	\$ 194,640	\$ 229,153	\$ 146,740	\$ 139,392	\$ 225,170	\$ 255,682	\$ 2,239,519
Intermediate School	N/A	220,034	246,448	240,204	389,033	165,444	194,780	124,729	118,483	191,395	217,330	2,107,880
Middle School	N/A	193,629	232,714	220,187	356,614	233,569	274,984	176,088	167,270	270,204	306,818	2,432,077
High School	N/A	264,040	317,336	310,263	502,501	379,549	446,850	286,142	271,815	439,081	498,580	3,716,157
Total School Facilities		<u>\$ 880,134</u>	<u>\$ 1,039,790</u>	<u>\$ 1,000,849</u>	<u>\$ 1,620,972</u>	<u>\$ 973,202</u>	<u>\$ 1,145,767</u>	<u>\$ 733,699</u>	<u>\$ 696,960</u>	<u>\$ 1,125,850</u>	<u>\$ 1,278,410</u>	<u>\$ 10,495,633</u>

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

**Delran Township School District
Insurance Schedule
June 30, 2014**

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Republic Franklin Ins Co		
Commercial Package:		
Property - Blanket Coverage	\$ 92,356,416	\$ 1,000
Flood	2,015,000	25,000
Earthquake	2,000,000	25,000
General Liability	1,000,000/3,000,000	-
Business Auto	1,000,000/3,000,000	500/1,000
Employee Dishonesty	400,000	250
Crime	100,000	500
Commercial Inland Marine	229,297	250
School District and Educators Legal Liability	1,000,000/2,000,000	
Abuse and Molestation Liability Coverage	1,000,000/3,000,000	
Employee Benefit Programs Liability	1,000,000/3,000,000	
Worker's Compensation - New Jersey School Board	2,000,000	
Commercial Umbrella Liability - Utica Mutual Insurance	15,000,000	10,000
Student Accident Coverage - New Jersey School Board		
Accident Medical Expense Benefit	6,000,000	
Catastrophe Cash Benefit	1,000,000	
Student Accident Coverage - Berkley Life and Health Ins. Co.		
Interscholastic Sports	250,000	
Surety Bond Coverage's - RLI Insurance Co.		
Treasurer	275,000	
School Business Administrator	300,000	

Source: District records

Single Audit Section

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 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY OMB CIRCULAR A-133
 AND STATE OF NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

I have audited Delran Township School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2014. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In my opinion, the Delran Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Delran Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state programs and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Delran Township's School District's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by New Jersey OMB's Circular 04-04

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delran Township School District, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I have issued my report thereon dated September 5, 2014, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 5, 2014

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2013			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	June 30, 2014		
					Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education															
General Fund:															
Education Jobs Fund	84.410A	N/A	\$ 1,019	7/1/11 - 9/30/12	\$ (1,019)				\$ 1,019						
Medical Assistance Program	93.778	N/A	56,093	7/1/13 - 6/30/14					50,058	\$ (50,058)					
Total General Fund					(1,019)	---	---	---	51,077	(50,058)	---	---	-	---	---
U.S. Department of Education															
Special Revenue Fund:															
No Child Left Behind(N.C.L.B.)															
Title I - Current Year	84.010A	NCLB-1060-14	345,377	7/1/13 - 6/30/14					172,450	(250,969)			\$ (78,519)		
Title I - Prior Year	84.010A	NCLB-1060-13	237,180	9/1/12 - 8/31/13	(9,968)				132,307	(134,548)	\$ 2		(12,207)		
Title IIA Current Year	84.367A	NCLB-1060-14	50,887	7/1/13 - 6/30/14					32,743	(39,502)	115		(6,644)		
Title IIA Prior Year	84.367A	NCLB-1060-13	56,604	9/1/12 - 8/31/13	(18,934)				29,403	(10,354)	(115)				
Title III - Current Year	84.365A	NCLB-1060-14	16,737	7/1/13 - 6/30/14					8,184	(10,799)	(1)		(2,616)		
Title III - Prior Year	84.365A	NCLB-1060-13	22,460	9/1/12 - 8/31/13	(500)				3,807	(4,863)			(1,556)		
Title III - Prior Year	84.365A	NCLB-1060-12	17,926	9/1/11 - 8/31/12	(1,408)				1,408				-		
Title III - Prior Year - Immigrant	84.365A	NCLB-1060-13	15,507	9/1/12 - 8/31/13	(2,145)				6,392	(5,836)	41		(1,548)		
Title III - Prior Year - Immigrant	84.365A	NCLB-1060-10	7,600	9/1/09 - 8/31/10		\$ 37					(42)		(5)		
Individuals With Disabilities Act (I.D.E.A.)															
Part B - Basic - Current Year	84.027	FT-1060-14	630,782	7/1/13 - 6/30/14					426,597	(627,720)			(201,123)		
Part B - Basic - Prior Year	84.027	FT-1060-13	651,536	9/1/12 - 8/31/13	(177,077)				177,077						
Part B - Preschool - Current Year	84.173	PS-1060-14	21,757	7/1/13 - 6/30/14					17,557	(21,198)			(3,641)		
Part B - Preschool - Prior Year	84.173	PS-1060-13	23,337	9/1/12 - 8/31/13	(4,982)				4,982						
Race To The Top	84.413	RT-1060-14	17,586	7/1/13 - 6/30/14						(17,523)			(17,523)		
Total Special Revenue Fund					(215,014)	37	---	---	1,012,907	(1,123,312)	-	---	(325,382)	-	---
U.S. Department of Agriculture															
Enterprise Fund:															
Food Distribution Program	10.555	N/A	78,607	9/1/13 - 6/30/14					78,607	(78,607)					
National School Lunch Program	10.555	N/A	317,812	9/1/13 - 6/30/14					299,960	(317,812)			(17,852)		
National School Lunch Program	10.555	N/A	273,529	9/1/12 - 6/30/13	(15,140)				15,140						
School Breakfast Program	10.553	N/A	70,306	9/1/13 - 6/30/14					64,403	(70,306)			(5,903)		
School Breakfast Program	10.553	N/A	61,238	9/1/12 - 6/30/13	(4,935)				4,935						
Total Enterprise Fund					(20,075)	---	---	---	463,045	(466,725)	---	---	(23,755)	---	---
Total Federal Awards					\$ (236,108)	\$ 37	---	---	\$ 1,527,029	\$ (1,640,095)	\$ -	---	\$ (349,137)	\$ -	---

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

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2014

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2013			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2014		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
State Department of Education														
General Fund:														
Extraordinary Aid	14-100-034-5120-473	\$ 420,462	7/1/13 - 6/30/14							\$ (420,462)		\$ (420,462)		
Extraordinary Aid	13-100-034-5120-473	338,441	7/1/12 - 6/30/13	\$ (338,341)				\$ 338,341						
Additional Nonpublic Transportation Aid	14-04103190	16,420	7/1/13 - 6/30/14						(16,420)			(16,420)		
Additional Nonpublic Transportation Aid	13-04103190	15,312	7/1/12 - 6/30/13	(15,312)					15,312					
Special Education Categorical Aid	14-495-034-5120-089	1,707,479	7/1/13 - 6/30/14					1,546,655	(1,707,479)			(160,824)		
Special Education Categorical Aid	13-495-034-5120-089	1,694,210	7/1/12 - 6/30/13	(157,761)				157,761						
Equalization Aid	14-495-034-5120-078	9,568,442	7/1/13 - 6/30/14					8,667,208	(9,568,442)			(901,234)		
Equalization Aid	13-495-034-5120-078	9,563,287	7/1/12 - 6/30/13	(890,508)				890,508						
Security Aid	14-495-034-5120-084	74,011	7/1/13 - 6/30/14					67,040	(74,011)			(6,971)		
Security Aid	13-495-034-5120-084	60,064	7/1/12 - 6/30/13	(5,593)				5,593						
Transportation Aid	14-495-034-5120-014	112,213	7/1/13 - 6/30/14					101,644	(112,213)			(10,569)		
Transportation Aid	13-495-034-5120-014	144,584	7/1/12 - 6/30/13	(13,463)				13,463						
Under Adequacy Aid	14-495-034-5095-083	14,105	7/1/13 - 6/30/14					12,776	(14,105)			(1,329)		
On Behalf TPAF - Pension	14-495-034-5095-006	693,318	7/1/13 - 6/30/14					693,318	(693,318)					
On Behalf TPAF - Post Retirement Medical	14-495-034-5095-001	1,136,781	7/1/13 - 6/30/14					1,136,781	(1,136,781)					
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	1,319,795	7/1/13 - 6/30/14					1,258,063	(1,319,795)			(61,732)		
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	1,257,610	7/1/12 - 6/30/13	(58,564)				58,564						
Total General Fund				(1,479,542)	---	---	---	---	14,963,027	(15,063,026)	---	(1,579,541)	--	--
Special Revenue Fund														
N J Nonpublic Aid:														
Textbook Aid	14-100-034-5120-064	34,556	7/1/13 - 6/30/14					34,556	(33,995)				\$	561
Textbook Aid	13-100-034-5120-064	37,463	7/1/12 - 6/30/13			\$ 955				(955)				
Nursing Aid	14-100-034-5120-070	49,022	7/1/13 - 6/30/14					49,022	(49,022)					
Technology Initiative	14-100-034-5120-373	12,600	7/1/13 - 6/30/14					12,600	(11,810)					790
Technology Initiative	13-100-034-5120-373	13,826	7/1/12 - 6/30/13			213				(213)				-
Auxiliary Services:														
Compensatory Education	14-100-034-5120-067	101,006	7/1/13 - 6/30/14					101,006	(86,028)					14,978
Compensatory Education	13-100-034-5120-067	91,133	7/1/12 - 6/30/13			13,292				(13,292)				
English as a Second Language	14-100-034-5120-067	19,727	7/1/13 - 6/30/14					19,727	(19,031)					696
English as a Second Language	13-100-034-5120-067	11,084	7/1/12 - 6/30/13			1,109				(1,109)				
Home Instruction	13-100-034-5120-068	1,983	7/1/12 - 6/30/13	(1,983)				1,983						
Handicapped Services:														
Examination & Classification	14-100-034-5120-066	42,525	7/1/13 - 6/30/14					42,525	(29,152)					13,373
Examination & Classification	13-100-034-5120-066	53,972	7/1/12 - 6/30/13			12,416				(12,416)				
Corrective Speech	14-100-034-5120-066	5,468	7/1/13 - 6/30/14					5,468	(4,452)					1,016
Corrective Speech	13-100-034-5120-066	5,468	7/1/12 - 6/30/13			1,874				(1,874)				
Supplemental Instruction	14-100-034-5120-066	36,774	7/1/13 - 6/30/14					36,774	(27,205)					9,569
Supplemental Instruction	13-100-034-5120-066	36,080	7/1/12 - 6/30/13			10,618				(10,618)				
Total Special Revenue Fund				(1,983)	---	40,477	---	-	303,661	(260,695)	(40,477)	-	---	40,983

Continued

DELRAN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2014

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Grant Period	June 30, 2013			Carryover (Walkover) Amount	Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2014		
				Accounts Receivable	Deferred Revenue	Due to Grantor at						Accounts Receivable	Deferred Revenue	Due to Grantor at
<u>Debt Service Fund</u>														
Debt Service Aid Type II	14-495-034-5120-017	\$ 483,543	7/1/13 - 6/30/14	---	---	---	---	---	\$ 483,543	\$ (483,543)	---	---	---	---
<u>State Department of Agriculture</u>														
Enterprise Fund:														
State School Lunch Program	14-100-010-3350-023	11,440	7/1/13 - 6/30/14						10,811	(11,440)		\$ (629)		
State School Lunch Program	13-100-010-3350-023	10,764	7/1/12 - 6/30/13	\$ (586)					586					
Total Enterprise Fund				(586)	---	---	---	---	11,397	(11,440)	---	(629)	---	---
Total State Financial Assistance				<u>\$ (1,482,111)</u>	<u>---</u>	<u>\$ 40,477</u>	<u>---</u>	<u>\$ -</u>	<u>\$ 15,761,628</u>	<u>\$ (15,818,704)</u>	<u>\$ (40,477)</u>	<u>\$ (1,580,170)</u>	<u>---</u>	<u>\$ 40,983</u>

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

Delran Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

1. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$13,602) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 50,058	\$ 15,049,424	\$ 15,099,482
Special Revenue	1,123,312	260,695	1,384,007
Debt Service		483,543	483,543
Food Service	466,725	11,440	478,165
Total	\$ 1,640,095	\$ 15,805,102	\$ 17,445,197

**Delran Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Pension Contributions represents the amount paid by the State on behalf of the School District for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

6. MAJOR PROGRAMS

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

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weaknesses identified? yes X no
- 2) Significant deficiencies identified that are
not considered to be a material weakness? yes X none reported

Noncompliance material to basic financial
statements noted?

 yes X no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are
not considered to be a material weakness? yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of OMB Circular A-133 ?

 yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$474,561

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported
in accordance with N.J. OMB Circular 04-04? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>14-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>14-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>14-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>14-495-034-5120-017</u>	<u>Debt Service Aid - Type II</u>
<u>14-100-010-3350-023</u>	<u>School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section 2 -- Schedule of Financial Statement Findings

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

Finding #2014-1

Criteria or specific requirement:

N.J.A.C. 6A:23-16.12 and good internal control require that supporting documentation be maintained for cash receipts.

Condition:

The Middle School Athletics Account did not have supporting documentation for receipts from fund raisers.

Context:

The Middle School Athletics receipts testing disclosed that supporting documentation was not available for fund raisers held.

Effect:

The District did not comply with N.J.A.C. 6A:23-16.12.

Cause:

Oversight

Recommendation:

The Middle School Athletics Account should maintain supporting documentation for all receipts.

View of Responsible Officials and Planned Corrective Action:

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

**DELRAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal and State programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**DELRAN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.