

DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSENHAYN, NEW JERSEY
COUNTY OF CUMBERLAND

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSENHAYN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by

**Deerfield Township School District
Business Administrator's Office**

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INTRODUCTORY SECTION

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Deerfield Township Board of Education

**PO BOX 375
ROSENHAYN NJ 08352**

**Mary Steinhauer-Kula
Chief School Administrator**

**Melanie M. Allen
Business Administrator/ Board Secretary**

February 5, 2021

Honorable President and
Members of the Board of Education
Deerfield Township School District
County of Cumberland
Rosenhayn, New Jersey

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Deerfield Township School District for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Deerfield Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors’ Report and includes the Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Deerfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	Average Daily Enrollment	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	268	-10.07%
2018-2019	298	-11.04%
2017-2018	335	4.36%
2016-2017	321	-1.83%
2015-2016	327	-2.10%
2014-2015	334	0.91%
2013-2014	331	-4.61%
2012-2013	347	-3.61%
2011-2012	360	-3.49%
2010-2011	373	-3.12%

ECONOMIC CONDITION AND OUTLOOK

The School District experienced unprecedented times during the second half of the 2019-2020 school year as the Covid-19 pandemic forced the closure of the school effective March 17, 2020 through the remainder of the school year. Students learned remotely from their homes utilizing district chromebooks, mobile hotspots, family devices, and/or paper packets, etc. Essential job functions of staff across the district were completed via their homes as well.

Financial savings was realized in areas such as student transportation, support services, and substitute salaries due to the closure. As the new school year will bring the same types of Covid-19 related changes, the School District looks for ways to increase its chromebooks inventory to support students who

continue to learn virtually as well as makes preparations in the building for staff and hybrid students' return based on the anticipated minimum standards and additional considerations found in the Department of Education's The Road Back document.

MAJOR INITIATIVES

The Leadership Team, consisting of the Chief School Administrator, Assistant Principal/CST Director, Supervisor of Curriculum and Instruction, Instructional Coach, and the School Business Administrator collaborate with teachers as active learners during professional development. The professional learning environment includes Professional Learning Communities (PLCs), grade level meetings, and staff meetings. Professional reflection is focused on student achievement as determined by student behaviors and teacher behaviors. Consequently, possibilities result for the school community to be on the cutting edge of pedagogy and thereby, enhance student learning.

Over the past few years, our district has focused on the delivery of instruction driven by the NJ Student Learning Standards (NJSLS). Recently, new teaching techniques and strategies have facilitated the implementation of the NJSLS in aligning with our district curriculum. Because of this Implementation we have continued to improve upon the differentiation of instruction, increase literacy skills and math fluency, create formative assessments, evaluate data for use in addressing student growth and goals, as well as encourage the use of technology as a tool to increase student achievement. Turnkey training and professional collegiality have occurred more frequently. Individual professional development plans, the district professional development plan, and the Annual School Plan goals ensure the pursuit of teaching excellence.

Teaching initiatives have primarily focused on differentiation of instruction across all content areas and grade levels with specific emphasis in math and language arts, benchmarking, formative assessments and data analyses. Deerfield Township School has a full-time instructional coach and supervisor of curriculum and instruction. Staff will continue training in the use of student information and data analyses to accurately assess individual student needs, and to align and modify teaching strategies to benefit each learner. These practices have allowed us to provide better instruction, assessments, and implementation and alignment to the NJSLS.

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

As part of the School 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.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School 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 cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally and Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.

ACKNOWLEDGEMENTS

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

Respectfully submitted,


Mary Steinhauer-Kula, Chief School Administrator


Melanie M. Allen, School Business Administrator/Board Secretary

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**ORGANIZATION CHART
FOR
DEERFIELD TOWNSHIP BOARD OF EDUCATION**

BOARD OF EDUCATION

**CHIEF SCHOOL
ADMINISTRATOR**

**BUSINESS
ADMINISTRATOR/
BOARD SECRETARY**

**ASSISTANT
PRINCIPAL**

FINANCE

**CHILD STUDY
TEAM**

**BUILDING AND
GROUNDS**

TEACHERS

TECHNOLOGY

SUPPORT STAFF

FOOD SERVICE

TRANSPORTATION

DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2020

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Pepi Dragotta , President	2021
John Schwab, Vice President	2021
Jenna Harvey	2021
Rosa McConner	2020
Jason Scythes	2022
Cindy Streater	2022
Adam Vera	2022

OTHER OFFICIALS

Mary Steinhauer-Kula, Superintendent

Melanie Allen, Business Administrator/Board Secretary

DEERFIELD TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

David McNally, CPA, RMA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

Attorney

Comegno Law Group PC
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

Architect

Garrison Architects
713 Creek Road
Bellmawr, New Jersey 08031

Official Depository

Fulton Bank of New Jersey
179 Kings Highway
Woolwich Township, New Jersey 08085

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Deerfield Township School District
County of Cumberland
Rosenhayn, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Deerfield Township School District, County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 District's internal control. Accordingly, we 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.

618 Stokes Road, Medford, NJ 08055

P: 609.953.0612 • **F:** 609.257.0008

www.hmacpainc.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Deerfield Township School District, County of Cumberland, State of New Jersey, as of June 30, 2020, 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, budgetary comparison information, and the schedules related to accounting and reporting for pensions & other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Deerfield Township School District's basic financial statements. The introductory section, combining and individual fund statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the 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 our opinion, the combining and individual fund statements and long-term debt schedules and the schedules of

expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 5, 2021

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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**DEERFIELD Township Board of Education
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)**

As management of the Deerfield Township School District, 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, 2020. 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.

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) Government-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.

Government-Wide Financial Statements

The *government-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 government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources 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 expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-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 most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-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*.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-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 financial 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 three individual governmental funds. The major funds are the General Fund, the Special Revenue 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 government-wide financial statements. The School District maintains two types of proprietary funds – the Enterprise Fund and Internal Service Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's enterprise funds (Food Service Fund and Internal Service Fund) are listed individually and are considered to be a major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-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.

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2020 compared to fiscal year 2019.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 1
Summary of Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,082,078	\$ 1,018,467	\$ 63,611	6.2%
Capital Assets, Net	<u>3,247,548</u>	<u>3,322,841</u>	<u>(75,293)</u>	-2.3%
Total Assets	<u>4,329,626</u>	<u>4,341,308</u>	<u>(11,682)</u>	-0.3%
Deferred Outflow of Resources	<u>195,834</u>	<u>369,807</u>	<u>(173,973)</u>	-47.0%
Current and Other Liabilities	191,543	1,075,673	(884,130)	-82.2%
Noncurrent Liabilities	<u>1,685,130</u>	<u>1,107,763</u>	<u>577,367</u>	52.1%
Total Liabilities	<u>1,876,673</u>	<u>2,183,436</u>	<u>(306,763)</u>	-14.0%
Deferred Inflow of Resources	<u>429,531</u>	<u>367,616</u>	<u>61,915</u>	16.8%
Net Position:				
Net Investment in Capital Assets	2,407,549	2,327,841	79,708	3.4%
Restricted	796,452	837,738	(41,286)	-4.9%
Unrestricted (Deficit)	<u>(984,745)</u>	<u>(1,005,516)</u>	<u>20,771</u>	-2.1%
Total Net Position	<u>\$ 2,219,256</u>	<u>\$ 2,160,063</u>	<u>\$ 59,193</u>	2.7%

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2
Summary of Changes in Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 30,716	\$ 132,060	\$ (101,344)	-76.7%
Operating Grants & Contributions	1,693,764	1,911,765	(218,001)	-11.4%
General Revenues:				
Property Taxes	2,961,323	2,899,386	61,937	2.1%
Federal & State Aid	2,672,401	3,078,283	(405,882)	-13.2%
Other General Revenues	<u>24,283</u>	<u>103,862</u>	<u>(79,579)</u>	-76.6%
Total Revenues	<u>7,382,487</u>	<u>8,125,356</u>	<u>(742,869)</u>	-9.1%
Function/Program Expenditures:				
Regular Instruction	1,947,832	1,623,360	324,472	20.0%
Special Education Instruction	460,017	864,616	(404,599)	-46.8%
Other Instruction	40,777	112,806	(72,029)	-63.9%
Tuition	157,923	97,239	60,684	62.4%
Student & Instruction Related Services	711,308	724,617	(13,309)	-1.8%
General Administrative	290,956	272,987	17,969	6.6%
School Administrative Services	71,681	72,326	(645)	-0.9%
Central Services	171,789	161,430	10,359	6.4%
Plant Operations & Maintenance	502,935	732,851	(229,916)	-31.4%
Pupil Transportation	424,222	404,567	19,655	4.9%
Unallocated Benefits	1,166,925	1,905,271	(738,346)	-38.8%
On Behalf TPAF Pension and Social Security Contributions	990,899	848,910	141,989	16.7%
Internal Service Fund	-	53,417	(53,417)	-100.0%
Special Schools	-	-	-	#DIV/0!
Transfer to Charter Schools	34,082	12,196	21,886	179.5%
Interest & Other Charges	50,152	50,080	72	0.1%
Unallocated Depreciation	174,743	5,243	169,500	3232.9%
Food Service	<u>127,053</u>	<u>178,545</u>	<u>(51,492)</u>	-28.8%
Total Expenditures	<u>7,323,294</u>	<u>8,120,461</u>	<u>(797,167)</u>	-9.8%
Change In Net Position	59,193	4,895	54,298	1109.3%
Net Position - Beginning	<u>2,160,063</u>	<u>2,155,168</u>	<u>4,895</u>	0.2%
Net Position - Ending	<u>\$ 2,219,256</u>	<u>\$ 2,160,063</u>	<u>\$ 59,193</u>	2.7%

DEERFIELD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2020, the net position of governmental activities increased by \$45,658 or 2.19%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$2,131,079, with an unrestricted deficit balance of \$1,049,464. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(1,049,464)
Add back: PERS Pension Liability		730,497
Less: Deferred Outflows related to pensions		(195,834)
Add back: Deferred Inflows related to pensions		429,531
Unrestricted Net Position (Without GASB 68)	\$	(85,270)

Business-type Activities

During the fiscal year 2020, the net position of business-type activities increased by \$13,535.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$88,177.

General Fund Budgeting Highlights

Final budgeted revenues were \$5,489,258, unchanged from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$31,870.

Final budgeted appropriations were \$5,843,987, unchanged from the original budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$304,593.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$1,089,171 at June 30, 2020, a decrease of \$18,266 from the prior year.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$841,566, a decrease of \$1,943 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$15,407 to \$848,407 at June 30, 2020. The primary factor(s) affecting the change in fund balance of the general fund compared to the change in fund balance in the prior year is as follows:

- Local revenues decreased by \$23,769 or -0.80% from the prior year. The biggest component of local revenues being the local tax levy increased \$55,437 or 2.0 %.
- Tuition and Miscellaneous Revenue decreased by \$79,578 or -76.6% from the prior year

Special revenue fund – During the current fiscal year, the fund balance of the School District’s Special Revenue fund increased by \$13,463 to \$-6,843 at June 30, 2020.

Debt service fund – During the current fiscal year, the fund balance of the School District’s Debt Service fund increased by \$1 to \$2 at June 30, 2020.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund increased by \$13,535 to \$88,177 at June 30, 2020.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$3,247,548 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$75,293. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 15,698	\$ 15,698	\$ -	0.0%
Construction in Progress	-	200,000	(200,000)	100.0%
Building and Improvements	3,204,945	3,071,098	133,847	4.4%
Equipment	26,905	36,045	(9,140)	-25.4%
	<u>\$ 3,247,548</u>	<u>\$ 3,322,841</u>	<u>\$ (75,293)</u>	<u>-2.3%</u>

Depreciation expense for the year was \$175,580. 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.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$690,000 which is an decrease of \$105,000 from the prior year.

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.

Factors on the School District's Future

Total district student enrollment declined during the 2019-2020 school year. Enrollment continues to be negatively impacted by the number of resident students who attend neighboring choice school districts as well as charter and nonpublic schools. To both better support current students and attract resident students who attend other districts, additional course offerings and after school activities have been implemented.

Developing a budget that balances all of the district's needs (providing updated and rigorous curriculum and instruction, maintaining extra- and co- curricular opportunities, infusing the latest technology tools into classrooms, adequately addressing maintenance requirements, providing sufficient levels of staffing in all areas of operation, etc.) without significant increases in state and local financial support continues to be more and more challenging, especially given the combination of declining student enrollment amidst the rising costs of salaries and medical benefits.

Contacting the School Districts Financial Management

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 School Business Administrator, Deerfield Township School District, PO Box 375, Rosenhayn, New Jersey 08352.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 486,933	\$ 56,964	\$ 543,897
Receivables, Net (Note 4)	175,886	6,819	182,705
Inventory	-	3,509	3,509
Restricted Cash & Cash Equivalents	351,966	-	351,966
Capital Assets, Non-Depreciable (Note 5)	15,698	-	15,698
Capital Assets, Depreciable, Net (Note 5)	3,208,393	23,458	3,231,851
Total Assets	4,238,876	90,750	4,329,626
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	195,834	-	195,834
Total Deferred Outflow of Resources	195,834	-	195,834
Total Assets and Deferred Outflow of Resources	4,434,710	90,750	4,525,460
LIABILITIES:			
Accounts Payable	139,319	-	139,319
Due to Other Governments	41,832	-	41,832
Unearned Revenue	1,954	2,573	4,527
Accrued Interest	5,865	-	5,865
Noncurrent Liabilities (Note 7):			
Due Within One Year	153,434	-	153,434
Due Beyond One Year	1,531,696	-	1,531,696
Total Liabilities	1,874,100	2,573	1,876,673
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	429,531	-	429,531
Total Deferred Inflows of Resources	429,531	-	429,531
Total Liabilities and Deferred Inflows of Resources	2,303,631	2,573	2,306,204
NET POSITION:			
Net Investment in Capital Assets	2,384,091	23,458	2,407,549
Restricted For:			
Capital Projects	90,401	-	90,401
Maintenance Reserve	261,565	-	261,565
Debt Service	2	-	2
Excess Surplus	444,484	-	444,484
Unrestricted	(1,049,464)	64,719	(984,745)
Total Net Position	\$ 2,131,079	\$ 88,177	\$ 2,219,256

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	1,947,832	\$ -	310,281	\$ (1,637,551)	-	\$ (1,637,551)
Special Education	460,017	-	-	(460,017)	-	(460,017)
Other Instructional	24,369	-	-	(24,369)	-	(24,369)
School Sponsored	16,408	-	-	(16,408)	-	(16,408)
Support Services & Undistributed Costs:						
Tuition	157,923	-	-	(157,923)	-	(157,923)
Student & Instruction Related Services	567,193	-	63,981	(503,212)	-	(503,212)
Health Services	107,828	-	-	(107,828)	-	(107,828)
Educational Media Services/School Library	36,287	-	-	(36,287)	-	(36,287)
School Administrative Services	71,681	-	-	(71,681)	-	(71,681)
General Administration	290,956	-	-	(290,956)	-	(290,956)
Central Services	171,789	-	-	(171,789)	-	(171,789)
Plant Operations & Maintenance	502,935	-	3,153	(499,782)	-	(499,782)
Pupil Transportation	424,222	-	-	(424,222)	-	(424,222)
Unallocated Benefits	1,166,925	-	215,578	(951,347)	-	(951,347)
On Behalf TPAF Pension and Social Security Contributions	990,899	-	990,899	-	-	-
Interest on Long-Term Debt and Other Charges	50,152	-	-	(50,152)	-	(50,152)
Transfer to Charter School	34,082	-	-	(34,082)	-	(34,082)
Unallocated Depreciation	174,743	-	-	(174,743)	-	(174,743)
Total Governmental Activities	7,196,241	-	1,583,892	(5,612,349)	-	(5,612,349)
Business-Type Activities:						
Food Service	127,053	30,716	109,872	-	13,535	13,535
Total Business-Type Activities	127,053	30,716	109,872	-	13,535	13,535
Total Primary Government	\$ 7,323,294	\$ 30,716	\$ 1,693,764	(5,612,349)	13,535	(5,598,814)

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				2,827,303	-	2,827,303
Taxes Levied for Debt Service				134,020	-	134,020
Federal & State Aid Not Restricted				2,672,401	-	2,672,401
Tuition Charges				7,474	-	7,474
Investment Earnings				12,206	-	12,206
Miscellaneous Income				4,603	-	4,603
Total General Revenues, Special Items, Extraordinary Items & Transfers				5,658,007	-	5,658,007
Change In Net Position				45,658	13,535	59,193
Net Position - Beginning				2,085,421	74,642	2,160,063
Net Position - Ending				\$ 2,131,079	\$ 88,177	\$ 2,219,256

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

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B. Fund Financial Statements

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Governmental Funds

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 578,934	\$ -	\$ 2	\$ 578,936
Receivables from Other Governments	20,925	114,326	-	135,251
Due from Other Funds	31,436	30,069	-	61,505
Other Receivables	9,199	-	-	9,199
Restricted Cash & Cash Equivalents	351,966	-	-	351,966
	<hr/>			
Total Assets	<u>\$ 992,460</u>	<u>\$ 144,395</u>	<u>\$ 2</u>	<u>\$ 1,136,857</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Deficit	\$ -	\$ 124,736	\$ -	\$ 124,736
Unearned Revenue	-	1,167	-	1,167
Accounts Payable	113,984	25,335	-	139,319
Due to Other Funds	30,069	-	-	30,069
	<hr/>			
Total Liabilities	<u>144,053</u>	<u>151,238</u>	<u>-</u>	<u>295,291</u>
Fund Balances:				
Restricted for:				
Capital Reserve	90,401	-	-	90,401
Maintenance Reserve	261,565	-	-	261,565
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	220,637	-	-	220,637
Excess Surplus - Current year	223,847	-	-	223,847
Debt Service	-	-	2	2
Assigned to:				
Other Purposes	10,334	-	-	10,334
Designated for Subsequent Year's Expenditures	19,700	-	-	19,700
Unassigned	21,923	-	-	21,923
Special Revenue Fund	-	(6,843)	-	(6,843)
	<hr/>			
Total Fund Balances	<u>848,407</u>	<u>(6,843)</u>	<u>2</u>	<u>841,566</u>
	<hr/>			
Total Liabilities & Fund Balances	<u>\$ 992,460</u>	<u>\$ 144,395</u>	<u>\$ 2</u>	

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 \$7,686,032 and the accumulated depreciation is \$4,461,941.	3,224,091
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	195,834
Deferred Inflows related to pensions	(429,531)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(5,865)
Internal Fund Net Assets	31,946
Accrued pension contributions for the June 30, 2020 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(41,832)
Long-term liabilities, including net pension liability, capital lease and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(1,685,130)</u>
Net Position of Governmental Activities	<u>\$ 2,131,079</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2020
Revenues:				
Local Sources:				
Local Tax Levy	\$ 2,827,303	\$ -	\$ 134,020	\$ 2,961,323
Tuition	7,474	-	-	7,474
Interest Earned	12,206	-	-	12,206
Miscellaneous	4,603	3,153	-	7,756
Total Local Sources	2,851,586	3,153	134,020	2,988,759
State Sources	3,564,665	159,352	-	3,724,017
Federal Sources	-	214,910	-	214,910
Total Revenues	6,416,251	377,415	134,020	6,927,686
Expenditures:				
Current Expense:				
Regular Instruction	1,651,014	296,818	-	1,947,832
Special Education Instruction	460,017	-	-	460,017
Other Instruction	24,369	-	-	24,369
School Sponsored	16,408	-	-	16,408
Support Services:				
Tuition	157,923	-	-	157,923
Attendance Services	12,024	-	-	12,024
Health Services	107,828	-	-	107,828
Student & Instruction Related Services	489,971	63,981	-	553,952
Educational Media Services/School Library	36,287	-	-	36,287
Instructional Staff Training	1,217	-	-	1,217
General Administration	290,956	-	-	290,956
School Administration	71,681	-	-	71,681
Central Services	171,789	-	-	171,789
Plant Operations & Maintenance	499,782	3,153	-	502,935
Pupil Transportation	424,222	-	-	424,222
Unallocated Employee Benefits	921,697	-	-	921,697
On Behalf TPAF Pension and Social Security Contributions	892,264	-	-	892,264
Debt Service:				
Principal	-	-	105,000	105,000
Interest & Other Charges	17,839	-	29,019	46,858
Capital Outlay	150,288	-	-	150,288
Total Expenditures	6,397,576	363,952	134,019	6,895,547
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	18,675	13,463	1	32,139
Other Financing Sources/(Uses)				
Transfers to Charter School	(34,082)	-	-	(34,082)
Total Other Financing Sources/(Uses)	(34,082)	-	-	(34,082)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(15,407)	13,463	1	(1,943)
Fund Balances July 1	\$ 863,814	\$ (20,306)	\$ 1	\$ 843,509
Fund Balances June 30	\$ 848,407	\$ (6,843)	\$ 2	\$ 841,566

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

**DEERFIELD 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 YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (1,943)

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

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

	Depreciation Expense	\$ (174,743)	
	Capital Outlay	<u>100,288</u>	(74,455)

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

	Bond Principal		105,000
	Capital Lease		50,000

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (27,780)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). (3,294)

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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (1,870)

Change in Net Position of Governmental Activities \$ 45,658

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Proprietary Funds

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BUSINESS-TYPE ACTIVITIES		GOVERNMENTAL
	ENTERPRISE FUNDS	FOOD SERVICE FUND	INTERNAL SERVICE FUND
Current Assets:			
Cash & Cash Equivalents	\$	56,964	\$ 32,733
Accounts Receivable		6,819	-
Inventories		3,509	-
Total Current Assets		<u>67,292</u>	<u>32,733</u>
Noncurrent Assets:			
Equipment		191,129	-
Accumulated Depreciation		<u>(167,671)</u>	<u>-</u>
Total Capital Assets		<u>23,458</u>	<u>-</u>
Total Assets		<u>90,750</u>	<u>32,733</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue		<u>2,573</u>	<u>787</u>
Total Current Liabilities		<u>2,573</u>	<u>787</u>
NET POSITION			
Investment in Capital Assets		23,458	-
Unrestricted Net Position		<u>64,719</u>	<u>31,946</u>
Total Net Position	<u>\$</u>	<u>88,177</u>	<u>\$ 31,946</u>

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Operating Revenue:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 18,651	-
Daily Sales - Nonreimbursable Programs	12,065	-
	30,716	-
Total Operating Revenue	30,716	-
Operating Expenses:		
Salaries & Employee Benefits	8,492	-
Supplies and Materials	440	-
Repairs & Other Expenses	2,017	-
Other Purchased Services-Contracted	109,008	-
Depreciation	837	-
Miscellaneous Expense	4,632	-
Cost of Sales	1,627	-
	127,053	-
Total Operating Expenses	127,053	-
Operating (Loss)/Gain	(96,337)	-
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	1,369	-
Federal Sources:		
National School Breakfast Program	29,318	-
National School Lunch Program	66,926	-
Healthy Hunger-Free Kids Act	1,781	-
Food Distribution Program	10,478	-
	109,872	-
Total Nonoperating Revenues	109,872	-
Net Income/(Loss)	13,535	-
Change in Net Position	13,535	-
Total Net Position - Beginning	74,642	31,946
Total Net Position - Ending	\$ 88,177	\$ 31,946

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE	
	ACTIVITIES	GOVERNMENTAL
	ENTERPRISE FUNDS	ACTIVITIES
	FOOD SERVICE	INTERNAL SERVICE
	FUND	FUND
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 33,289	\$ -
Payments to Employees	(8,492)	-
Payments to Suppliers	(118,502)	-
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(93,705)	-
	<hr/>	<hr/>
Cash Flows From Noncapital Financing Activities:		
State Sources	1,451	-
Federal Sources	110,377	-
	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	111,828	-
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	18,123	-
Cash and Cash Equivalents, July 1	38,841	32,733
	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 56,964	\$ 32,733
	<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (96,337)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	837	-
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	(778)	-
Increase/(Decrease) in Unearned Revenue	2,573	-
	<hr/>	<hr/>
Total Adjustments	2,632	-
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (93,705)	\$ -
	<hr/> <hr/>	<hr/> <hr/>

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

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Fiduciary Fund

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

ASSETS	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS	TOTAL
Cash & Cash Equivalents	\$ 66	\$ 81,106	\$ 81,172
Total Assets	<u>66</u>	<u>81,106</u>	<u>81,172</u>
 LIABILITIES			
Payroll Deductions & Withholdings	-	11,417	11,417
Due to Student Groups	-	30,543	30,543
Due to Employees	-	7,710	7,710
Interfund Payable	-	31,436	31,436
Total Liabilities	<u>-</u>	<u>81,106</u>	<u>81,106</u>
 NET POSITION			
Held in Trust for:			
Scholarships	<u>66</u>	<u>-</u>	<u>66</u>
Total Net Position	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 66</u>

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ADDITIONS:	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS	TOTAL
Local Sources:			
Contributions	\$ -	\$ 4,975	\$ 4,975
Total Contributions	-	4,975	4,975
Investment Earnings:			
Interest on Investments	-	20	20
Total Investment Earnings	-	20	20
Total Additions	-	4,995	4,995
DEDUCTIONS:			
Claims	-	3,608	3,608
Total Deductions	-	3,608	3,608
Other Financing Sources/(Uses)			
Reserved	-	(7,710)	(7,710)
Total Other Financing Sources/(Uses)	-	(7,710)	(7,710)
Change in Net Position	-	(6,323)	(6,323)
Net Position - Beginning of Year	66	6,323	6,389
Net Position - End of Year	\$ 66	\$ -	\$ 66

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

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies

The financial statements of the Board of Education of Deerfield Township School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The Deerfield Township School District is a Type II School District located in the County of Cumberland, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. The purpose of the School District is to educate students in grades kindergarten through eighth at its one school. The School District has an approximate enrollment at June 30, 2020 of 268 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization’s board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides 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 Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. and GASB 80, Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14. The School District had no component units as of for the year ended June 30, 2020.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued):

deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued):

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued):

revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the Community Education program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued):

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Internal Service Funds – The internal service funds are used in order to account for various shared services provided to other local school districts.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(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:23-2-11.

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

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

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 accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal 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 last 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. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

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 and Cash Equivalents

Cash and Cash equivalents 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

Additionally, the District has adopted a cash management plan that 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 loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks 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 Payable/Receivable

Tuition rates for the fiscal year end June 30, 2020 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 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 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 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 absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in 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, government 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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

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.

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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 (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2020.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in 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 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2020:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and February 5, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year. The Deerfield Township School District’s state aid was not reduced.

As the COVID-19 pandemic remains a fluid situation, outside of the reduction in state aid, it is not currently known what further economic challenges are ahead for local school districts.

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2020, the District’s bank balance of \$1,427,122 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,388,868
Uninsured and Uncollateralized		38,254
	\$	1,427,122

Investments

The School District has no investments at June 30, 2020.

Note 3. Reserve Accounts

A. Capital Reserve

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 department, 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 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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 3. Reserve Accounts (continued)

pursuant *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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	111,606
Increased by:		
Deposits approved by Board		88,795
		200,401
Decreased by:		
Budget Withdrawals		(110,000)
Ending Balance, June 30, 2020	\$	90,401

The June 30, 2020 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve

Deerfield Township School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Ending Balance, June 30, 2020 and 2019	\$	261,565
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Note 4. Accounts Receivable

Accounts receivable at June 30, 2020 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds			<u>Total Governmental Activities</u>	Proprietary Funds		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>		<u>Food Service Fund</u>		
Federal Awards	\$ -	\$ 107,483	\$ -	\$ 107,483	\$ 6,754	\$ 6,754	
State Awards	20,925	6,843	-	27,768	65	65	
Other	9,199	31,436	-	40,635	-	-	
Total	\$ 30,124	\$ 145,762	\$ -	\$ 175,886	\$ 6,819	\$ 6,819	

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2020</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 15,698	\$ -	\$ -	\$ 15,698
Construction in Progress	200,000	-	(200,000)	-
Total Capital Assets not being depreciated	<u>215,698</u>	<u>-</u>	<u>(200,000)</u>	<u>15,698</u>
Capital Assets being depreciated:				
Buildings and Improvements	6,633,467	100,288	200,000	6,933,755
Equipment	736,579	-	-	736,579
Total Capital Assets being depreciated	<u>7,370,046</u>	<u>100,288</u>	<u>200,000</u>	<u>7,670,334</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(3,562,372)	(166,438)	-	(3,728,810)
Equipment	(724,826)	(8,305)	-	(733,131)
Total Accumulated Depreciation	<u>(4,287,198)</u>	<u>(174,743)</u>	<u>-</u>	<u>(4,461,941)</u>
Total Capital Assets being depreciated, net	<u>3,082,848</u>	<u>(74,455)</u>	<u>200,000</u>	<u>3,208,393</u>
Total Governmental Activities Capital Assets, net	<u>\$ 3,298,546</u>	<u>\$ (74,455)</u>	<u>\$ -</u>	<u>\$ 3,224,091</u>
	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2020</u>
Business-Type Activities:				
Equipment	\$ 191,129	\$ -	\$ -	\$ 191,129
	<u>191,129</u>	<u>-</u>	<u>-</u>	<u>191,129</u>
Less: Accumulated Depreciation:				
Equipment	(166,833)	(838)	-	(167,671)
	<u>(166,833)</u>	<u>(838)</u>	<u>-</u>	<u>(167,671)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 24,296</u>	<u>\$ (838)</u>	<u>\$ -</u>	<u>\$ 23,458</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 31,436	\$ 30,069
Special Revenue Fund	30,069	-
Payroll Fund	-	31,436
	<u>\$ 61,505</u>	<u>\$ 61,505</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers in the current year.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2020 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 795,000	\$ -	\$ 105,000	\$ 690,000	\$ 105,000
Capital Leases	200,000	-	50,000	150,000	48,434
Compensated Absences	112,763	1,870	-	114,633	-
Net Pension Liability	940,890	-	210,393	730,497	-
	<u>\$ 2,048,653</u>	<u>\$ 1,870</u>	<u>\$ 365,393</u>	<u>\$ 1,685,130</u>	<u>\$ 153,434</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On March 30, 2011, the District issued School Refunding Bonds in the amount of \$1,460,000 in order to refund all or a portion of the outstanding callable school bonds of the Board of Education originally issued in the principal amount of \$1,788,000 and dated December 1, 2001. The 2001 bonds are redeemable at the option of the Board of Education in whole or in part with a 30-day notice of redemption at a price of 100% of the principal amount thereof.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 7. Long-Term Obligations (continued):

The \$1,460,000. Refunding Bonds, included issuance costs of \$47,500. \$1,416,930 was used to retire bonds from the 2001 issue and \$11,127 was returned to the District. The gross debt service savings to the District is \$76,216 and the economic benefit to the District is estimated to be \$67,146. The Bonds maturing on December 1, 2021 and December 1, 2026 shall be subject to mandatory sinking fund redemption by lot, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date on December 1 in each year.

Principal and Interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 105,000	\$ 25,344	\$ 130,344
2022	100,000	21,756	121,756
2023	100,000	17,944	117,944
2024	100,000	13,819	113,819
2025	100,000	9,694	109,694
2026-2027	185,000	7,322	192,322
	\$ 690,000	\$ 95,879	\$ 785,879

Bonds Authorized But Not Issued:

As of June 30, 2020, the District had no authorized but not issued bonds.

B. Capital Leases

On May 14, 2019, the District entered into a capital lease agreement to finance an upgrade to the HVAC system. The capital lease amount is \$200,000. Terms of the capital lease call for one (1) payment of \$52,435 and three (3) subsequent annual payments of \$53,233 to be paid on October 1st of each year.

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2020:

Fiscal Year Ending <u>June 30,</u>	
2021	\$ 53,233
2022	53,233
2023	53,233
Total Minimum Lease Payments	159,699
Less: Amount Representing Interest	(9,699)
Present Value of Minimum Lease Payments	\$ 150,000

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$730,497 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2019, was 0.0040541%, which was a decrease of 0.0007244% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$19,685 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 13,111	\$ 3,227
Changes of Assumptions	72,943	253,553
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	11,531
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	67,948	161,220
School District Contributions Subsequent to Measurement Date	41,832	\$ -
	\$ 195,834	\$ 429,531

\$41,832 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

**Note 8. Pension Plans (continued)
A. Public Employees' Retirement System (PERS) (continued)**

Year Ending Dec 31,	Amount
2020	\$ (49,340)
2021	(78,825)
2022	(72,719)
2023	(65,092)
2024	<u>(9,557)</u>
	<u>\$ (275,533)</u>

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the discount rate of 6.28% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 929,156</u>	<u>\$ 730,497</u>	<u>\$ 572,463</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2020 and June 30, 2019

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Net Pension Liability	18,143,832,135	19,689,501,539
District's portion of the Plan's total Net Pension Liability	0.00405%	0.00478%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New

Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for TPAF:

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$13,963,604. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0227527%, which was a decrease of .0004467% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the School District recognized \$823,611 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2019 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.60% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability	<u>16,466,180</u>	<u>13,963,604</u>	<u>11,887,256</u>
	<u>\$ 16,466,180</u>	<u>\$ 13,963,604</u>	<u>\$ 11,887,256</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

Balances at June 30, 2020 and June 30, 2019

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 10,129,162,237	\$ 12,675,037,111
Deferred Inflows of Resources	17,736,240,054	16,381,811,884
Net Pension Liability	61,519,112,443	63,806,350,446
District's portion of the Plan's total Net Pension Liability	0.0040541%	0.0047786%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2020, employee contributions totaled \$23,974, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$720.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued)

percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	2.5%		
		TPAF/ABP	PERS
		PFRS	
Salary Increases:			
Through 2026		1.55 - 3.05%	2.00 - 6.00%
		based on years of service	based on years of service
Thereafter		1.55 - 3.05%	3.00 - 7.00%
		based on years of service	based on years of service
			Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “Gene General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued)

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2019 was \$12,685,099. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.0303987%, which was a decrease of 0.00026011% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$215,082 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2019 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 14,986,115	\$ 12,685,099	\$ 10,857,298
State of New Jersey's Total Non- employer Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,451,956	\$ 12,685,099	\$ 15,641,322
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 1,921,145,183	\$ (1,921,145,183)
Change in Assumptions	-	(10,484,965,300)
Change in Assumptions	-	(8,481,529,343)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 1,921,145,183	\$ (20,887,639,826)

** Employer Contributions made after June 30, 2019 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued)

Fiscal Year Ending June 30,	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	<u>June 30, 2018</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>148,051</u>
	<u>364,943</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Total OPEB Liability	
Service Cost	\$ 1,734,404,850
Interest Cost	1,827,787,206
Difference Between Expected & Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Contributions: Member	37,971,171
Gross Benefit Payments	<u>(1,280,958,373)</u>
Net Change in Total OPEB Liability	(4,381,751,937)
Total OPEB Liability (Beginning)	<u>46,110,832,982</u>
Total OPEB Liability (Ending)	<u>\$ 41,729,081,045</u>
Total Covered Employee Payroll	\$ 13,929,083,479
Net OPEB Liability as a Percentage of Payroll	300%

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2020, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$528,439, \$167,288, \$196,041 and \$496, respectively.

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”.

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 14. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Siracusa Befits Program

403(b) ASP

Note 15. Compensated Absences

The 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2020 is \$114,633.

Note 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve 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, 2020 was \$223,847.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 18. Fund Balance

General Fund – Of the \$848,407 General Fund fund balance at June 30, 2020, \$90,401 has been reserved in the Capital Reserve Account; \$261,565 has been reserved in the Maintenance Reserve Account; \$223,847 is restricted for current year excess surplus: \$220,637 is restricted for excess surplus – designated for subsequent year’s expenditures: \$10,334 is assigned to other purposes; \$19,700 is designated for subsequent year’s expenditures and \$21,923 is unassigned.

Debt Service Fund – Of the \$2 Debt Service Fund fund balance at June 30, 2020, \$2 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$(1,049,464) at June 30, 2020. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Tax Levy	10-1210	\$ 2,827,303	\$ -	\$ 2,827,303	\$ 2,827,303	\$ -
Tuition From Other LEAs Within the State	10-1320	-	-	-	7,474	7,474
Interest on Investments	10-1510	5,100	-	5,100	12,206	7,106
Miscellaneous Revenues	10-1XXX	-	-	-	4,603	4,603
Total Local Sources		2,832,403	-	2,832,403	2,851,586	19,183
State Sources:						
Equalization Aid	10-3176	2,320,668	-	2,320,668	2,320,668	-
Categorical Special Education Aid	10-3132	194,666	-	194,666	194,666	-
Categorical Security Aid	10-3177	45,634	-	45,634	45,634	-
Categorical Transportation Aid	10-3121	95,887	-	95,887	95,887	-
Extraordinary Aid	10-3131	-	-	-	12,687	12,687
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	528,439	528,439
On-Behalf Post Retirement Medical Contribution		-	-	-	196,041	196,041
On-Behalf Long-Term Disability Insurance		-	-	-	496	496
Reimbursed TPAF Social Security Contribution		-	-	-	167,288	167,288
Total State Sources		2,656,855	-	2,656,855	3,561,806	904,951
Total Revenues		5,489,258	-	5,489,258	6,413,392	924,134
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers	11-105-100-101	-	1,500	1,500	1,174	326
Other Salaries for Instruction	11-105-100-106	-	55,795	55,795	55,795	-
Preschool/Kindergarten - Salaries of Teachers	11-110-100-101	245,495	(55,595)	189,900	185,561	4,339
Grades 1-5	11-120-100-101	806,808	(27,404)	779,404	779,186	218
Grades 6 - 8	11-130-100-101	475,621	6,737	482,358	471,648	10,710
Home Instruction:						
Salaries of Teachers	11-150-100-101	2,000	(1,794)	206	-	206
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	-	362	362	362	-
Purchased Professional - Educational Services						
Other Purchased Services	11-190-100-320	100	1,730	1,830	1,800	30
Other Purchased Services	11-190-100-500	56,858	21,853	78,711	77,467	1,244
General Supplies	11-190-100-610	91,324	(5,526)	85,798	78,021	7,777
Textbooks	11-190-100-640	2,209	(1,676)	533	-	533
Total Regular Programs		1,680,415	(4,018)	1,676,397	1,651,014	25,383
Special Education:						
Resource Room:						
Salaries of Teachers	11-213-100-101	343,632	(52,458)	291,174	285,467	5,707
Other Salaries for Instruction	11-213-100-106	186,426	(8,843)	177,583	174,175	3,408
General Supplies	11-213-100-610	1,800	-	1,800	375	1,425
Total Resource Room		531,858	(61,301)	470,557	460,017	10,540
Total Special Education		531,858	(61,301)	470,557	460,017	10,540
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	101,831	(76,505)	25,326	24,218	1,108
General Supplies	11-230-100-610	300	-	300	151	149
Total Basic Skills/Remedial		102,131	(76,505)	25,626	24,369	1,257
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	9,522	328	9,850	9,850	-
Other Purchased Services	11-401-100-500	-	100	100	100	-
Supplies and Materials	11-401-100-600	-	1,258	1,258	1,058	200
Total School Sponsored Cocurricular Activities		9,522	1,686	11,208	11,008	200
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	10,700	-	10,700	5,400	5,300
General Supplies	11-402-100-610	3,650	(1,358)	2,292	-	2,292
Total School Sponsored Athletics Instruction		14,350	(1,358)	12,992	5,400	7,592
Total Instruction		2,338,276	(141,496)	2,196,780	2,151,808	44,972

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Special	11-000-100-562	37,774	(12,773)	25,001	24,989	12
Tuition to CSSD & Regional Day School	11-000-100-565	111,830	21,965	133,795	132,934	861
Total Undistributed Expenditures - Instruction		149,604	9,192	158,796	157,923	873
Attendance & Social Work Services:						
Salaries	11-000-211-100	5,534	68	5,602	5,601	1
Other Purchased Services	11-000-211-500	7,953	(40)	7,913	6,423	1,490
Total Attendance & Social Work Services		13,487	28	13,515	12,024	1,491
Health Services:						
Salaries	11-000-213-100	111,838	(3,884)	107,954	106,527	1,427
Purchased Professional & Technical Services	11-000-213-300	1,600	-	1,600	-	1,600
Other Purchased Services	11-000-213-500	500	-	500	-	500
Supplies and Materials	11-000-213-600	4,100	(715)	3,385	1,301	2,084
Total Health Services		118,038	(4,599)	113,439	107,828	5,611
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	52,241	(50,488)	1,753	1,753	-
Purchased Professional Educational Services	11-000-216-320	180,720	(40,073)	140,647	115,580	25,067
Supplies and Materials	11-000-216-600	1,200	-	1,200	221	979
Total Other Support Services-Students-Related Services		234,161	(90,561)	143,600	117,554	26,046
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	11,502	78,981	90,483	90,483	-
Other Purchased Professional & Technical Services	11-000-218-390	200	-	200	-	200
Supplies and Materials	11-000-218-600	300	-	300	195	105
Total Other Support Services - Students - Regular		12,002	78,981	90,983	90,678	305
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	102,382	(397)	101,985	97,216	4,769
Salaries of Secretarial & Clerical Assistants	11-000-219-105	24,839	3,185	28,024	28,024	-
Purchased Professional Educational Services	11-000-219-320	26,195	1,816	28,011	19,894	8,117
Other Purchased Services	11-000-219-500	4,304	(1,100)	3,204	3,203	1
Supplies and Materials	11-000-219-600	2,650	(203)	2,447	2,414	33
Other Objects	11-000-219-800	-	200	200	100	100
Total Other Support Services-Students-Special Services		160,370	3,501	163,871	150,851	13,020
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Other Professional Staff	11-000-221-104	142,330	(25,651)	116,679	115,708	971
Salaries of Secretarial & Clerical Assistants	11-000-221-105	14,375	-	14,375	14,212	163
Other Purchased Services	11-000-221-500	-	968	968	968	-
Supplies and Materials	11-000-221-600	600	(123)	477	-	477
Total Improvement of Instruction Services/Other Support Services Instructional Staff		157,305	(24,806)	132,499	130,888	1,611
Educational Media Services/School Library:						
Salaries	11-000-222-100	46,017	(10,779)	35,238	34,776	462
Other Purchased Services	11-000-222-500	250	(179)	71	-	71
Supplies and Materials	11-000-222-600	1,646	-	1,646	1,511	135
Total Educational Media Services/School Library		47,913	(10,958)	36,955	36,287	668
Support Services Instructional Staff Training Service:						
Purchased Professional & Educational Services	11-000-223-320	500	580	1,080	1,080	-
Other Purchased Services	11-000-223-500	1,650	(1,510)	140	137	3
Total Support Services Instructional Staff Training		2,150	(930)	1,220	1,217	3
Support Services General Administration:						
Salaries	11-000-230-100	171,689	17,235	188,924	188,924	-
Legal Services	11-000-230-331	18,850	12,466	31,316	31,316	-
Audit Services	11-000-230-332	18,000	(3,000)	15,000	15,000	-
Other Purchased Professional Services	11-000-230-339	4,000	1,900	5,900	5,650	250
Purchased Technical Services	11-000-230-340	250	(250)	-	-	-
Communications/Telephone	11-000-230-530	15,785	7,610	23,395	22,769	626
BOE Other Purchased Services	11-000-230-585	740	10	750	750	-
Other Purchased Services	11-000-230-590	21,852	(2,350)	19,502	19,502	-
Supplies and Materials	11-000-230-600	1,000	1,254	2,254	2,254	-
BOE In-House Training Supplies	11-000-230-630	50	(50)	-	-	-
Miscellaneous Expenditures	11-000-230-890	2,000	(300)	1,700	1,700	-
BOE Membership Dues & Fees	11-000-230-895	3,015	77	3,092	3,091	1
Total Support Services General Administration		257,231	34,602	291,833	290,956	877

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services School Administration:						
Salaries of Other Professional Staff	11-000-240-104	53,209	(1,523)	51,686	47,607	4,079
Salaries of Secretarial & Clerical Assistants	11-000-240-105	14,903	246	15,149	15,149	-
Purchased Professional & Technical Services	11-000-240-300		5,416	5,416	5,416	-
Other Purchased Services	11-000-240-500	650	(422)	228	205	23
Supplies and Materials	11-000-240-600	900	299	1,199	704	495
Other Objects	11-000-240-800	1,144	1,457	2,601	2,600	1
Total Support Services School Administration		70,806	5,473	76,279	71,681	4,598
Central Services:						
Salaries	11-000-251-100	137,230	10,639	147,869	147,868	1
Purchased Professional Services	11-000-251-330	1,175	2,535	3,710	3,710	-
Purchased Technical Services	11-000-251-340	17,015	(2,272)	14,743	14,694	49
Miscellaneous Purchased Services	11-000-251-592	260	146	406	405	1
Supplies & Materials	11-000-251-600	1,500	209	1,709	1,612	97
Interest on Lease Purchase	11-000-251-832	3,500	(1,064)	2,436	2,435	1
Miscellaneous Expenditures	11-000-251-890	1,065	-	1,065	1,065	-
Total Central Services		161,745	10,193	171,938	171,789	149
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	49,916	(1,763)	48,153	48,153	-
Maintenance Services	11-000-261-420	77,329	(7,797)	69,532	64,774	4,758
General Supplies	11-000-261-610	18,441	447	18,888	18,052	836
Total Allowance Maintenance for School Facilities		145,686	(9,113)	136,573	130,979	5,594
Other Operation & Maintenance of Plant Services:						
Purchased Professional & Technical Services	11-000-262-300	148,339	11,793	160,132	157,354	2,778
Cleaning, Repair & Maintenance Services	11-000-262-420	6,750	(3,833)	2,917	1,456	1,461
Insurance	11-000-262-520	23,285	-	23,285	22,963	322
Miscellaneous Purchased Services	11-000-262-590	1,000	(589)	411	355	56
General Supplies	11-000-262-610	7,133	1,125	8,258	6,559	1,699
Energy (Natural Gas)	11-000-262-621	32,508	2,200	34,708	30,778	3,930
Energy (Electricity)	11-000-262-622	108,355	27,530	135,885	135,885	-
Other Objects	11-000-262-800	100	(40)	60	-	60
Total Other Operation & Maintenance of Plant Services		327,470	38,186	365,656	355,350	10,306
Care & Upkeep of Grounds						
Salaries	11-000-263-100	11,788	27	11,815	11,815	-
Cleaning, Repair & Maintenance Services	11-000-263-420	700	(109)	591	400	191
General Supplies	11-000-263-610	2,575	(111)	2,464	1,238	1,226
Total Care & Upkeep of Grounds		15,063	(193)	14,870	13,453	1,417
Student Transportation Services:						
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	9,011	(2,522)	6,489	6,162	327
Management Fee-ESC & CTSA Transportation Program	11-000-270-350	9,909	-	9,909	9,782	127
Aid in Lieu of Payments	11-000-270-503	54,000	(5,292)	48,708	35,006	13,702
Contracted Services (Between Home & School) - Vendors	11-000-270-511	9,321	1,749	11,070	7,809	3,261
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	12,590	(10,154)	2,436	2,435	1
Contracted Services (Between Home & School) - Joint	11-000-270-513	183,000	10,395	193,395	178,539	14,856
Contracted Services (Special Education Students) - ESC	11-000-270-518	137,201	78,134	215,335	184,489	30,846
Total Student Transportation Services		415,032	72,310	487,342	424,222	63,120
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	45,620	18,804	64,424	64,424	-
Other Retirement Contributions - PERS	11-000-291-241	56,150	(5,001)	51,149	50,982	167
Unemployment Compensation	11-000-291-250	12,000	289	12,289	12,289	-
Workmen's Compensation	11-000-291-260	42,471	(5,799)	36,672	36,613	59
Health Benefits	11-000-291-270	846,744	13,553	860,297	746,404	113,893
Other Employee Benefits	11-000-291-290	8,250	2,735	10,985	10,985	-
Total Unallocated Benefits - Employee Benefits		1,011,235	24,581	1,035,816	921,697	114,119
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	528,439	(528,439)
On-Behalf Post Retirement Medical Contribution		-	-	-	196,041	(196,041)
On-Behalf Long-Term Disability Insurance		-	-	-	496	(496)
Reimbursed TPAF Social Security Contribution		-	-	-	167,288	(167,288)
Total Undistributed Expenditures		3,299,298	135,887	3,435,185	4,077,641	(642,456)
Total Expenditures - Current Expense		5,637,574	(5,609)	5,631,965	6,229,449	(597,484)
Capital Outlay:						
Equipment:						
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	20,900	(10,820)	10,080	8,036	2,044
Construction Services	12-000-400-450	89,100	10,820	99,920	92,252	7,668
Lease Purchase Principal	12-000-400-721	50,001	-	50,001	50,000	1
Assessment for Debt Service on SDA Funding	12-000-400-896	17,839	-	17,839	17,839	-
Total Facilities Acquisition & Construction Services		177,840	-	177,840	168,127	9,713

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Interest Deposit to Capital Reserve	10-604	50	-	50	-	50
Interest Deposit to Maintenance Reserve	10-606	50	-	50	-	50
Total Capital Outlay		177,940	-	177,940	168,127	9,813
Total Expenditures		5,815,514	(5,609)	5,809,905	6,397,576	(587,671)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(326,256)	5,609	(320,647)	15,816	336,463
Other Financing Sources/(Uses): Transfer to Charter School	10-000-100-56X	(28,473)	(5,609)	(34,082)	(34,082)	-
Total Other Financing Sources/(Uses)		(28,473)	(5,609)	(34,082)	(34,082)	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(354,729)	-	(354,729)	(18,266)	336,463
Fund Balances, July 1		1,107,437	-	1,107,437	1,107,437	-
Fund Balances, June 30		752,708	-	752,708	1,089,171	336,463

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	90,401
Maintenance Reserve	261,565
Excess Surplus	223,847
Excess Surplus Designated for Subsequent Year's Expenditures	220,637
Assigned to:	
Year-End Encumbrances	10,334
Designated for Subsequent Year's Expenditures	19,700
Unassigned Fund Balance	<u>262,687</u>
Subtotal	1,089,171
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(240,764)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 848,407</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 176,952	\$ (56,789)	\$ 120,163	\$ 215,090	\$ 94,927
State Sources	154,497	130,706	285,203	145,889	(139,314)
Local Sources	-	-	-	3,153	3,153
Total Revenues	331,449	73,917	405,366	364,132	(41,234)
Expenditures:					
Instruction:					
Salaries	177,286	39,537	216,823	194,769	22,054
Purchased Educational Services	88,478	19,732	108,210	97,203	11,007
Supplies & Materials	4,411	984	5,395	4,846	549
Total Instruction	270,175	60,253	330,428	296,818	33,610
Support Services:					
Salaries of Other Professional Staff		-	-	-	-
Benefits	23,037	5,138	28,175	25,309	2,866
Purchased Professional Services	5,052	1,126	6,178	5,550	628
Other Purchased Services	21,285	4,747	26,032	23,384	2,648
Other Professional Services	6,526	1,455	7,981.00	7,168	813
Tuition	-	357	357	-	357
Supplies	2,294	511	2,805	2,520	285
Other Objects	210	47	257	230	27
Total Support Services	58,404	13,381	71,785	64,161	7,624
Facilities Acquisition & Construction Services:					
Required Maintenance	2,870	283	3,153	3,153	-
Total Facilities Acquisition & Construction Services	2,870	283	3,153	3,153	-
Total Expenditures	331,449	73,917	405,366	364,132	41,234
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2020**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 6,413,392	\$ 364,132
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	-
Current Year	-	(180)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	243,623	20,306
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(240,764)	(6,843)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 6,416,251	\$ 377,415
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,397,576	\$ 364,132
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	-
Current Year	-	(180)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 6,397,576	\$ 363,952

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.004050%	0.004779%	0.004873%	0.004711%	0.003811%	0.004422%	0.004317%
District's proportionate share of the net pension liability (asset)	\$ 730,497	\$ 940,890	\$ 1,134,328	\$ 1,395,401	\$ 854,417	\$ 827,889	\$ 825,097
District's covered-employee payroll	299,356	275,158	283,140	310,918	345,646	307,827	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	341.95%	341.95%	400.62%	448.80%	247.22%	268.95%	N/A
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	4810.00%	40.14%	47.93%	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 39,435	\$ 47,532	\$ 45,142	\$ 41,856	\$ 32,727	\$ 36,453	\$ 32,529
Contributions in relation to the contractually required contribution	<u>(39,435)</u>	<u>(47,532)</u>	<u>(45,142)</u>	<u>(41,856)</u>	<u>(32,727)</u>	<u>(36,453)</u>	<u>(32,529)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 299,356	\$ 275,158	\$ 283,140	\$ 310,918	\$ 345,646	\$ 307,827	\$ 307,827
Contributions as a percentage of covered payroll	13.17%	17.27%	15.94%	13.46%	9.47%	11.84%	11.84%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	13,963,604	14,759,044	15,189,317	16,023,288	13,353,249	10,774,954	9,834,266
School District's covered payroll	\$ 2,166,604	\$ 2,580,853	\$ 2,393,151	\$ 2,370,769	\$ 2,334,916	\$ 2,243,091	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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EXHIBIT M-1

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST THREE FISCAL YEARS***

	2020	2019	2018
Total OPEB Liability Associated with the District			
Service Cost	\$ 411,075	\$ 486,337	\$ 713,616
Interest Cost	546,486	583,968	507,028
Differences Between Expected and Actual Changes of Assumptions	(1,980,899)	(1,223,055)	-
Contributions: Member	189,136	(1,594,768)	(2,114,285)
Gross Benefit Payments	11,543	12,843	13,649
	<u>(389,395)</u>	<u>(371,605)</u>	<u>(370,673)</u>
Net Change in Total OPEB Liability Associated with the District	(1,212,054)	(2,106,280)	(1,250,665)
Total OPEB Liability Associated with the District (Beginning)	<u>13,897,153</u>	<u>16,003,433</u>	<u>17,254,098</u>
Total OPEB Liability Associated with the District (Ending)	<u>\$ 12,685,099</u>	<u>\$ 13,897,153</u>	<u>\$ 16,003,433</u>
District's Covered Employee Payroll	\$ 2,465,960	\$ 2,856,011	\$ 2,676,291
Net OPEB Liability Associated with the District as a Percentage of Payroll	514.41%	486.59%	597.97%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	I.D.E.A. PART B BASIC										TOTAL
	TITLE I PART A	TITLE II PART A	TITLE IV	REGULAR PROGRAM	PRESCHOOL EDUCATION	CARES PROGRAM	NJSABAIG GRANT				
Revenues:											
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,153
State Sources	-	-	-	-	145,889	-	-	-	-	-	145,889
Federal Sources	98,706	17,069	1,932	97,203	-	180	-	-	-	-	215,090
Total Revenues	\$ 98,706	\$ 17,069	\$ 1,932	\$ 97,203	\$ 145,889	\$ 180	\$ 3,153	\$ 364,132			
Expenditures:											
Instruction:											
Salaries	\$ 70,323	\$ 4,283	\$ -	\$ -	\$ 120,163	\$ -	\$ -	\$ 194,769			
Tuition	-	-	-	97,203	-	-	-	97,203			
General Supplies	2,504	-	-	-	2,342	-	-	4,846			
Total Instruction	72,827	4,283	-	97,203	122,505	-	-	296,818			
Support Services:											
Personal Services - Employee Benefits	25,309	-	-	-	-	-	-	25,309			
Purchased Professional Services	-	5,550	-	-	-	-	-	5,550			
Other Purchased Services	-	-	-	-	23,384	-	-	23,384			
Other Professional Services	-	5,236	1,932	-	-	-	-	7,168			
Tuition	-	-	-	-	-	-	-	-			
Supplies	340	2,000	-	-	-	180	-	2,520			
Other Objects	230	-	-	-	-	-	-	230			
Total Support Services	25,879	12,786	1,932	-	23,384	180	-	64,161			
Facilities Acquisition & Construction Services:											
Required Maintenance	-	-	-	-	-	-	3,153	3,153			
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	3,153	3,153			
Total Expenditures	\$ 98,706	\$ 17,069	\$ 1,932	\$ 97,203	\$ 145,889	\$ 180	\$ 3,153	\$ 364,132			

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 120,163	\$ 120,163	\$ -
General Supplies	2,342	2,342	-
	<hr/>	<hr/>	<hr/>
Total Instruction	122,505	122,505	-
	<hr/>	<hr/>	<hr/>
Support Services:			
Purchased Professional Services	31,992	23,384	8,608
	<hr/>	<hr/>	<hr/>
Total Support Services	31,992	23,384	8,608
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 154,497</u>	<u>\$ 145,889</u>	<u>\$ 8,608</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2019-2020 Preschool Education Aid Allocation	\$ 154,497
Add: Actual Preschool Education Aid Carryover (June 30, 2019)	<hr/> -
Total Preschool Education Aid Funds Available for 2019-2020 Budget	154,497
Less: 2019-2020 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<hr/> (154,497)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	-
Add: June 30, 2020 Unexpended Preschool Education Aid Funds	<hr/> 8,608
2019-2020 Carryover - Preschool Education Aid Funds	<hr/> <u>\$ 8,608</u>
2019-2020 Preschool Education Aid Funds Carryover Budgeted in 2020-2021	<hr/> <u>\$ -</u>

F. Capital Projects Fund
Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020**

ASSETS	FOOD SERVICE FUND	2020
Current Assets:		
Cash & Cash Equivalents	\$ 56,964	\$ 56,964
Accounts Receivable:		
State	65	65
Federal	6,754	6,754
Inventories	3,509	3,509
	<hr/>	<hr/>
Total Current Assets	67,292	67,292
Noncurrent Assets:		
Furniture, Machinery & Equipment	191,129	191,129
Accumulated Depreciation	(167,671)	(167,671)
	<hr/>	<hr/>
Total Noncurrent Assets	23,458	23,458
	<hr/>	<hr/>
Total Assets	90,750	90,750
	<hr/>	<hr/>
LIABILITIES:		
Current Liabilities:		
Unearned Revenue	2,573	2,573
	<hr/>	<hr/>
Total Current Liabilities	2,573	2,573
	<hr/>	<hr/>
Total Liabilities	2,573	2,573
	<hr/>	<hr/>
NET POSITION		
Investment in Capital Assets	23,458	23,458
Unrestricted Net Position	64,719	64,719
	<hr/>	<hr/>
Total Net Position	\$ 88,177	\$ 88,177
	<hr/>	<hr/>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2020**

	FOOD SERVICE FUND	TOTAL
Operating Revenue:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 18,651	\$ 18,651
Daily Sales - Nonreimbursable Programs	12,065	12,065
	<hr/>	<hr/>
Total Operating Revenue	30,716	30,716
	<hr/>	<hr/>
Operating Expenses:		
Salaries	8,492	8,492
Purchased Services	109,008	109,008
Supplies and Materials	440	440
Cleaning, Repair & Maintenance Services	2,017	2,017
Miscellaneous Expenses	4,632	4,632
Depreciation	837	837
Cost of Sales	1,627	1,627
	<hr/>	<hr/>
Total Operating Expenses	127,053	127,053
	<hr/>	<hr/>
Operating (Loss)/Gain	(96,337)	(96,337)
	<hr/>	<hr/>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	1,369	1,369
Federal Sources:		
National School Breakfast Program	29,318	29,318
National School Lunch Program	66,926	66,926
Healthy Hunger-Free Kids Act	1,781	1,781
Food Distribution Program	10,478	10,478
	<hr/>	<hr/>
Total Nonoperating Revenues	109,872	109,872
	<hr/>	<hr/>
Net Income/(Loss)	13,535	13,535
	<hr/>	<hr/>
Change in Net Position	13,535	13,535
Total Net Position - Beginning	74,642	74,642
	<hr/>	<hr/>
Total Net Position - Ending	\$ 88,177	\$ 88,177
	<hr/>	<hr/>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2020**

	FOOD SERVICE FUND	2020
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 33,289	\$ 33,289
Payments to Employees	(8,492)	(8,492)
Payments to Suppliers	(118,502)	(118,502)
	<u> </u>	<u> </u>
Net Cash Provided/(Used) by Operating Activities	<u>(93,705)</u>	<u>(93,705)</u>
Cash Flows From Noncapital Financing Activities:		
Cash received from state reimbursements	1,451	1,451
Cash received from federal reimbursements	110,377	110,377
	<u> </u>	<u> </u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>111,828</u>	<u>111,828</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	18,123	18,123
Cash & Cash Equivalents, July 1	<u>38,841</u>	<u>38,841</u>
Cash & Cash Equivalents, June 30	<u>\$ 56,964</u>	<u>\$ 56,964</u>

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (96,337)	\$ (96,337)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	837	837
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	(778)	(778)
Increase/(Decrease) in Unearned Revenue	2,573	2,573
	<u> </u>	<u> </u>
Total Adjustments	<u>2,632</u>	<u>2,632</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (93,705)</u>	<u>\$ (93,705)</u>

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Internal Service Fund

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTAL
	CHILD STUDY TEAM	MUSIC TEACHER CONSORTIUM	
Cash	\$ 31,946	\$ 787	\$ 32,733
Total Assets	31,946	787	32,733
LIABILITIES			
Current Liabilities:			
Unearned Revenue	-	787	787
Total Liabilities	-	787	787
NET POSITION			
Unrestricted Net Position	31,946	-	31,946
Total Net Position	\$ 31,946	\$ -	\$ 31,946

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2020**

	<u>GOVERNMENTAL ACTIVITIES</u>		2020
	CHILD STUDY TEAM	MUSIC TEACHER CONSORTIUM	
OPERATING REVENUES:			
Local Sources:			
Charges and Fees	\$ -	\$ -	\$ -
Total Operating Revenue	-	-	-
OPERATING EXPENSES:			
Salaries	-	-	-
Employee Benefits	-	-	-
Repair and Maintenance Services	-	-	-
Total Operating Expenses	-	-	-
Operating Income/ (loss)	-	-	-
Change in Net Position	-	-	-
Total Net Position- July 1	31,946	-	31,946
Total Net Position - June 30	\$ 31,946	\$ -	\$ 31,946

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2020**

	GOVERNMENTAL ACTIVITIES		TOTAL
	CHILD STUDY TEAM	MUSIC TEACHER CONSORTIUM	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ -	\$ -	\$ -
Payments to Employees	-	-	-
Payments for Employee Benefits	-	-	-
Payments to Suppliers	-	-	-
Net Cash Provided/(Used) by Operating Activities	-	-	-
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	-	-	-
Cash & Cash Equivalents, July 1	31,946	787	32,733
Cash & Cash Equivalents, June 30	\$ 31,946	\$ 787	\$ 32,733

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Reconciliation of Operating Income (Loss)	\$ -	\$ -	\$ -
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ -	\$ -

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H. Fiduciary Fund

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

ASSETS	RICHARD DOUGHTY SR SCHOLARSHIP	AFLAC SECTION 125	PAYROLL FUND	STUDENT ACTIVITY	TOTAL
Cash & Cash Equivalents	\$ 66	\$ 7,710	\$ 42,853	\$ 30,543	\$ 81,172
Total Assets	<u>66</u>	<u>7,710</u>	<u>42,853</u>	<u>30,543</u>	<u>81,172</u>
LIABILITIES					
Payroll Deductions & Withholdings	-	-	11,417	-	11,417
Due to Student Groups	-	-	-	30,543	30,543
Interfund Payable	-	-	31,436	-	31,436
Due to Employees	-	7,710	-	-	7,710
Total Liabilities	<u>-</u>	<u>7,710</u>	<u>42,853</u>	<u>30,543</u>	<u>81,106</u>
NET POSITION					
Restricted for Scholarships Reserved	<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>
Total Net Position	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	RICHARD DOUGHTY SR AFLAC SCHOLARSHIP SECTION 125		TOTAL
ADDITIONS:			
Local Sources:			
Contributions	\$	-	\$ 4,975
			\$ 4,975
Total Contributions		-	4,975
Investment Earnings:			
Interest on Investments		-	20
			20
Total Investment Earnings		-	20
Total Additions		-	4,995
DEDUCTIONS:			
Claims		-	3,608
			3,608
Total Deductions		-	3,608
Other Financing Sources:			
Transfer In/(Out)		-	(7,710)
			(7,710)
Change in Net Position		-	(6,323)
Net Position - Beginning of Year		66	6,323
			6,389
Net Position - End of Year	\$	66	\$ -
			\$ 66

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	JULY 1, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2020
Deerfield Township School	\$ 26,942	\$ 17,074	\$ 13,473	\$ 30,543
Total	<u>\$ 226,811</u>	<u>\$ 17,074</u>	<u>\$ 13,473</u>	<u>\$ 30,543</u>

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
ASSETS				
Cash & Cash Equivalents	40,491	3,485,812	3,483,450	42,853
Total Assets	<u>\$ 40,491</u>	<u>\$ 3,485,812</u>	<u>\$ 3,483,450</u>	<u>\$ 42,853</u>
LIABILITIES				
Net Payroll	\$ 140	\$ 1,963,756	\$ 1,963,756	\$ 140
Net Payroll Deductions & Withholdings	8,564	1,522,056	1,519,343	11,277
Interfund Account Payable	31,787	-	351	31,436
Total Liabilities	<u>\$ 40,491</u>	<u>\$ 3,485,812</u>	<u>\$ 3,483,450</u>	<u>\$ 42,853</u>

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I. Long-Term Debt

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2020**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2019	ISSUED	REDEEMED	BALANCE JUNE 30, 2020
Series 2011 Refunding Bonds of 08/17/2004 Issue	8/16/2012	\$ 1,460,000	12/01/20 12/02/21 12/02/22 12/02/23 12/01/24 12/02/25 12/02/26	3.500% 3.500% 3.500% 4.125% 4.125% 4.125% 4.125%	\$ 795,000	\$ -	\$ 105,000	\$ 690,000
Total					\$ 795,000	\$ -	\$ 105,000	\$ 690,000

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2020**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2019	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2020
HVAC Upgrade	5/14/2019	4 Years	3.20%	\$ 200,000	\$ 200,000	\$ -	\$ 50,000	\$ 150,000
Total					\$ 200,000	\$ -	\$ 50,000	\$ 150,000

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 134,020	\$ -	\$ 134,020	\$ 134,020	\$ -
Total Revenues	134,020	-	134,020	134,020	-
Expenditures:					
Regular Debt Service:					
Interest	29,020	-	29,020	29,019	1
Principal	105,000	-	105,000	105,000	-
Total Expenditures	134,020	-	134,020	134,019	1
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	1	1
Fund Balance July 1	1	-	1	1	-
Fund Balance June 30	\$ 1	\$ -	\$ 1	\$ 2	\$ 1

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STATISTICAL SECTION (Unaudited)

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DEERFIELD TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,384,091	\$ 2,303,546	\$ 2,349,275	\$ 2,385,105	\$ 2,422,702	\$ 2,479,173	\$ 2,886,865	\$ 2,977,985	\$ 2,785,494	\$ 2,255,014
Restricted	796,452	837,738	761,304	472,960	551,315	503,191	346,443	410,783	601,972	582,356
Unrestricted	(1,049,464)	(1,055,863)	(1,019,266)	(970,252)	(850,926)	(780,693)	68,845	25,176	64,905	112,783
Total Governmental Activities	\$ 2,131,079	\$ 2,085,421	\$ 2,091,313	\$ 1,887,813	\$ 2,123,091	\$ 2,201,671	\$ 3,302,153	\$ 3,413,944	\$ 3,452,371	\$ 2,950,153
Business-Type Activities:										
Investment in Capital Assets	\$ 23,458	\$ 24,295	\$ -	\$ 572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	64,719	50,347	63,855	63,129	69,216	46,791	48,642	38,528	37,489	27,568
Total Business-Type Activities	\$ 88,177	\$ 74,642	\$ 63,855	\$ 63,701	\$ 69,216	\$ 46,791	\$ 48,642	\$ 38,528	\$ 37,489	\$ 27,568
District-Wide:										
Net Investment in Capital Assets	\$ 2,407,549	\$ 2,327,841	\$ 2,349,275	\$ 2,385,677	\$ 2,422,702	\$ 2,479,173	\$ 2,886,865	\$ 2,977,985	\$ 2,785,494	\$ 2,255,014
Restricted	796,452	837,738	761,304	472,960	551,315	503,191	346,443	410,783	601,972	582,356
Unrestricted	(984,745)	(1,005,516)	(955,411)	(907,123)	(781,710)	(733,902)	117,487	63,704	102,394	158,206
Total District Net Position	\$ 2,219,256	\$ 2,160,063	\$ 2,155,168	\$ 1,951,514	\$ 2,192,307	\$ 2,248,462	\$ 3,350,795	\$ 3,452,472	\$ 3,489,860	\$ 2,995,576

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,947,832	\$ 1,623,360	\$ 1,705,944	\$ 1,594,638	\$ 1,566,761	\$ 1,671,577	\$ 1,516,987	\$ 1,658,514	\$ 1,594,571	\$ 1,529,596
Special Education	460,017	864,616	658,585	648,673	703,850	694,851	648,247	538,987	575,168	559,944
Other Instruction	24,369	13,952	17,248	12,458	4,026	2,602	4,683	10,024	4,054	4,404
Other Special Education	16,408	98,854	42,188	23,193	23,234	2,637	640	38,000	42,696	45,527
Support Services:										
Tuition	157,923	97,239	158,492	373,532	343,912	250,281	554,228	545,736	411,178	307,919
Student & Instruction Related Services	711,308	724,617	697,142	689,981	651,925	581,542	459,247	440,002	341,208	329,304
School Administrative Services	71,681	72,326	83,779	76,289	78,220	75,208	72,365	64,959	84,326	73,300
General & Business Administrative Services	290,956	434,417	417,918	407,068	384,399	375,635	346,820	408,206	386,355	383,514
Central Office & Technology Services	171,789	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	502,935	732,851	462,458	434,483	451,441	440,436	432,652	389,062	408,936	421,128
Pupil Transportation	424,222	404,567	351,772	464,852	401,503	386,683	447,751	396,761	377,577	367,913
Internal Service Funds	-	53,417	55,178	59,848	62,524	54,317	58,082	53,707	66,271	53,663
Unallocated Benefits	1,166,925	2,754,181	3,235,995	2,690,030	2,083,824	1,857,793	1,322,969	1,352,123	1,218,959	1,136,952
On Behalf TPAF Pension and Social Security Contributions	990,899	-	-	-	-	-	-	-	-	-
Transfer to Charter School	34,082	12,196	24,322	49,390	40,533	8,981	-	-	-	-
Interest on Long-Term Debt	50,152	32,241	35,432	35,474	40,619	43,305	44,075	53,833	63,811	107,347
Unallocated Depreciation	174,743	5,243	5,152	5,152	5,683	5,683	5,591	5,784	5,895	5,870
State Debt Service Assessment	-	17,839	17,839	17,839	17,839	17,839	17,839	17,838	12,848	22,093
Amortization of Debt Issuance Costs	-	-	-	-	-	-	-	13,148	13,148	13,148
Total Governmental Activities Expenses	7,196,241	7,941,916	7,969,444	7,582,900	6,860,293	6,469,370	5,932,176	5,986,684	5,607,001	5,361,622
Business-Type Activities:										
Food Service	127,053	178,545	197,747	210,173	176,287	175,216	155,199	174,081	175,702	159,755
Total Business-Type Activities Expense	127,053	178,545	197,747	210,173	176,287	175,216	155,199	174,081	175,702	159,755
Total District Expenses	\$ 7,323,294	\$ 8,120,461	\$ 8,167,191	\$ 7,793,073	\$ 7,036,580	\$ 6,644,586	\$ 6,087,375	\$ 6,160,765	\$ 5,782,703	\$ 5,521,377
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Internal Service Fund	-	61,287	70,446	58,572	59,743	60,938	62,157	63,401	64,669	65,962
Operating Grants & Contributions	1,583,892	287,116	358,483	431,471	400,362	984,358	1,181,197	1,679,133	2,325,074	1,788,531
Total Governmental Activities Program Revenues	1,583,892	348,403	428,929	490,043	460,105	1,045,296	1,243,354	1,742,534	2,389,743	1,854,493
Business-Type Activities:										
Charges for Services:										
Food Service	30,716	66,098	64,804	65,939	66,393	59,375	53,070	53,759	60,534	71,658
Operating Grants & Contributions	109,872	123,234	133,097	137,002	132,319	121,990	112,243	121,361	117,234	105,952
Total Business Type Activities Program Revenues	140,588	189,332	197,901	202,941	198,712	181,365	165,313	175,120	177,768	177,610
Total District Program Revenues	\$ 1,724,480	\$ 537,735	\$ 626,830	\$ 692,984	\$ 658,817	\$ 1,226,661	\$ 1,408,667	\$ 1,917,654	\$ 2,567,511	\$ 2,032,103

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net/(Expense)/Revenue:										
Governmental Activities	\$ (5,612,349)	\$ (6,087,423)	\$ (5,579,701)	\$ (5,840,366)	\$ (5,616,939)	\$ (5,424,074)	\$ (5,472,071)	\$ (5,496,641)	\$ (5,178,072)	\$ (5,013,219)
Business-Type Activities	13,535	10,787	154	(7,232)	22,425	6,149	10,114	1,039	2,066	17,855
Total District-Wide Net Expense	\$ (5,598,814)	\$ (6,076,636)	\$ (5,579,547)	\$ (5,847,598)	\$ (5,594,514)	\$ (5,417,925)	\$ (5,461,957)	\$ (5,495,602)	\$ (5,176,006)	\$ (4,995,364)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,827,303	\$ 2,771,866	\$ 2,667,712	\$ 2,565,108	\$ 2,498,534	\$ 2,449,544	\$ 2,381,276	\$ 2,293,870	\$ 2,248,892	\$ 2,197,331
Taxes Levied for Debt Service	134,020	127,520	135,681	135,681	140,807	147,981	109,681	241,042	257,629	293,190
Unrestricted Grants & Contributions	2,672,401	3,078,283	2,919,684	2,835,613	2,846,480	2,771,110	2,837,015	2,911,572	3,155,519	2,868,107
Tuition Received	7,474	66,206	43,816	60,757	48,583	92,499	57,686	-	-	-
Investment Earnings	12,206	28,766	12,825	4,439	1,526	215	368	801	442	1,397
Miscellaneous Income	4,603	12,357	3,483	3,749	2,431	8,189	19,985	10,929	7,808	6,076
Adjustment to Fixed assets	-	(3,468)	-	(261)	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	(365,302)	(176)	-	-	-
Transfers	-	-	-	-	-	8,000	-	-	10,000	-
Net Proceeds of Bond Sale	-	-	-	-	-	-	-	-	-	11,127
Total Governmental Activities	5,658,007	6,081,530	5,783,201	5,605,086	5,538,361	5,112,236	5,405,835	5,458,214	5,680,290	5,377,228
Business-Type Activities:										
Adjustment to Fixed Assets	-	-	-	1,717	-	-	-	-	-	-
Transfers	-	-	-	-	-	(8,000)	-	-	(10,000)	-
Total Business-Type Activities	-	-	-	1,717	-	(8,000)	-	-	(10,000)	-
Total District-Wide	\$ 5,658,007	\$ 6,081,530	\$ 5,783,201	\$ 5,606,803	\$ 5,538,361	\$ 5,104,236	\$ 5,405,835	\$ 5,458,214	\$ 5,670,290	\$ 5,377,228
Change in Net Position:										
Governmental Activities	\$ 45,658	\$ (5,893)	\$ 203,500	\$ (235,280)	\$ (78,578)	\$ (311,838)	\$ (66,236)	\$ (38,427)	\$ 502,218	\$ 364,009
Business-Type Activities	13,535	10,787	154	(5,515)	22,425	(1,851)	10,114	1,039	(7,934)	17,855
Total District	\$ 59,193	\$ 4,894	\$ 203,654	\$ (240,795)	\$ (56,153)	\$ (313,689)	\$ (56,122)	\$ (37,388)	\$ 494,284	\$ 381,864

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30, 2013									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 806,784	\$ 837,737	\$ 761,304	\$ 472,959	\$ 551,315	\$ 550,272	\$ 420,802	\$ 414,944	\$ 595,999	\$ 460,192
Assigned	19,700	-	-	-	-	-	-	-	-	-
Committed	-	26,077	32,309	47,366	33,925	27,266	53,080	37,569	63,393	62,674
Unassigned	21,923	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 848,407	\$ 863,814	\$ 793,613	\$ 520,325	\$ 585,240	\$ 577,538	\$ 473,882	\$ 452,513	\$ 659,392	\$ 522,866
All Other Governmental Funds:										
Unassigned, Reported in:										
Special Revenue Fund	(6,843)	(20,306)	(12,145)	(8,573)	(7,858)	(7,858)	(5,569)	(5,569)	(10,248)	(10,248)
Capital Projects Fund	-	-	-	-	-	-	15,657	15,657	156,907	-
Debt Service Fund	2	-	-	2	1	1	1	1	12,461	2
Total All Other Governmental Funds	\$ (6,841)	\$ (20,306)	\$ (12,145)	\$ (8,571)	\$ (7,857)	\$ (7,857)	\$ 10,089	\$ 10,089	\$ 159,120	\$ (10,246)

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes Local	\$ 2,961,323	\$ 2,899,386	\$ 2,803,393	\$ 2,700,789	\$ 2,639,341	\$ 2,597,525	\$ 2,490,957	\$ 2,534,912	\$ 2,506,521	\$ 2,490,521
Tuition Charges	7,474	66,206	43,816	60,757	48,583	92,499	57,686			
Interest earnings	12,206	28,766	12,825	4,439	1,526	215	368	801	442	1,397
Transportation	-	-	-	-	-	-	-	-	-	-
Miscellaneous	7,756	12,357	3,483	3,749	2,431	8,189	19,985	10,929	7,808	6,076
Local Sources	-	-	-	-	-	-	-	-	-	-
State Sources	3,724,017	3,692,871	3,447,511	3,229,755	3,115,971	3,013,866	2,984,104	3,094,358	3,147,400	2,858,330
Federal Sources	214,910	234,922	233,267	244,143	259,449	222,220	253,273	248,684	366,603	296,893
Total Revenue	6,927,686	6,934,508	6,544,295	6,243,632	6,067,301	5,934,514	5,806,373	5,889,684	6,028,774	5,653,217
Expenditures:										
Instruction:										
Regular Instruction	1,947,832	1,544,726	1,628,661	1,517,355	1,481,516	1,586,332	1,433,118	1,571,749	1,506,149	1,441,541
Special Education Instruction	460,017	847,142	641,411	631,499	684,907	675,908	629,610	519,706	555,519	540,376
Other Special Instruction		98,854	42,188	23,193	23,234	743	640	38,000	42,696	45,527
Other Instructional	24,369	12,205	15,531	10,741	2,132	2,602	2,819	8,096	2,089	2,447
School Sponsored	16,408									
Support Services:										
Tuition	157,923	97,239	158,492	373,532	343,912	250,281	554,228	545,736	411,178	307,919
Student & Instruction										
Related Services	711,308	703,648	676,533	669,372	629,193	558,810	436,882	416,865	317,629	305,822
School Administrative										
Services	71,681	68,831	80,344	72,854	74,431	71,419	68,637	61,103	80,396	69,386
General & Business										
Administration Services	462,745	262,502	250,082	246,817	251,443	238,355	215,297	259,478	236,894	230,714
Plant Operations &										
Maintenance	502,935	708,387	438,414	410,439	424,920	413,915	406,559	362,068	381,427	393,733
Central Services		161,430	157,532	149,947	121,590	125,914	120,340	137,159	137,671	141,059
Pupil Transportation	424,222	392,335	339,750	452,830	388,243	373,423	434,705	383,264	363,822	354,217
Unallocated Benefits	921,697	1,785,133	1,639,747	1,509,795	1,415,509	1,320,389	1,342,163	1,346,740	1,217,156	1,132,999
On Behalf TPAF Pension and Social										
Security Contributions	892,264	-	-	-	-	-	-	-	-	-

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenditures (continued):										
Charter Schools	34,082	12,196	24,322	49,390	40,533	8,981	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	150,288	255,320	53,749	52,244	50,801	59,883	48,095	78,140	409,822	106,401
Debt service:										
Principal	105,000	95,000	100,000	100,000	100,000	105,000	65,000	325,000	330,000	340,000
Interest & Other Charges	46,858	32,519	35,682	35,682	40,806	42,981	44,681	54,656	64,634	95,063
Total Expenditures	6,929,629	7,077,467	6,282,438	6,305,690	6,073,170	5,834,936	5,802,774	6,107,760	6,057,082	5,507,204
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,943)	(142,959)	261,857	(62,058)	(5,869)	99,578	3,599	(218,076)	(28,308)	146,013
Other Financing Sources/(Uses):										
Prior Year Adjustment	-	-	-	-	-	-	(176)	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-
(Nonbudgeted)	-	200,000	-	-	-	-	-	-	-	-
Excess Proceeds from refunding	-	5,000	5,000	-	5,000	11,935	15,481	-	27,000	11,127
Transfers in	-	-	-	-	-	-	(15,481)	-	-	169,089
Transfers Out	-	-	-	-	-	-	-	-	-	(169,089)
Total Other Financing Sources/ (Uses)	-	205,000	5,000	-	5,000	11,935	(176)	-	27,000	11,127
Net Change in Fund Balances	\$(1,943)	\$62,041	\$266,857	\$(62,058)	\$(869)	\$111,513	\$3,423	\$(218,076)	\$(1,308)	\$157,140
Debt Service as a Percentage of Noncapital Expenditures	2.24%	1.87%	2.18%	2.17%	2.34%	2.56%	1.91%	6.30%	6.99%	8.06%

Source: District Records

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST INVESTMENTS ON	TRANSPORTATION	MISCELLANEOUS	TOTAL
2020	\$ 7,474	\$ 12,206	\$ -	\$ 4,603	\$ 24,283
2019	66,206	28,766	-	8,517	103,489
2018	43,816	12,825	-	605	57,246
2017	60,757	4,439	-	3,749	68,945
2016	48,583	1,526	-	546	50,655
2015	92,499	215	-	4,168	96,882
2014	57,686	368	-	19,985	78,039
2013	-	801	-	6,683	7,484
2012	-	442	-	4,672	5,114
2011	-	1,397	-	2,047	3,444

Source: District records

DEERFIELD TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	NET ASSESSED VALUATIONS	ESTIMATED FULL CASH VALUATIONS	PERCENTAGE OF NET ASSESSED TO ESTIMATED FULL CASH VALUATIONS
2019	\$ 192,642,347	\$ 202,408,689	95.17%
2018	191,346,851	196,352,482	97.45%
2017	191,057,852	196,742,935	97.11%
2016	189,991,364	199,312,993	95.32%
2015	189,208,919	197,598,153	95.75%
2014	189,201,358	203,791,220	92.84%
2013	187,959,971	209,337,794	89.79%
2012	189,386,599	216,339,370	87.54%
2011	187,619,461	224,370,817	83.62%
2010	185,633,978	225,667,615	82.26%

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT & OVERLAPPING TAX RATE
	BASIC RATE (A)	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	CUMBERLAND REGIONAL SCHOOL DIST.	DEERFIELD TOWNSHIP	CUMBERLAND COUNTY	
2019	N/A	N/A	1.578	0.745	0.009	1.245	3.577
2018	N/A	N/A	1.516	0.589	0.090	1.202	3.397
2017	N/A	N/A	1.468	0.593	0.090	1.194	3.345
2016	N/A	N/A	1.422	0.618	0.090	1.176	3.306
2015	N/A	N/A	1.395	0.558	0.090	1.154	3.187
2014	N/A	N/A	1.373	0.517	0.080	1.122	3.093
2013	N/A	N/A	1.326	0.487	0.081	1.098	2.992
2012	N/A	N/A	1.339	0.472	0.071	1.089	2.971
2011	N/A	N/A	1.336	0.542	0.005	1.147	3.075
2010	N/A	N/A	1.342	0.529	0.011	1.098	2.980
2009	N/A	N/A	1.295	0.526	0.011	1.116	2.948

Source: Abstract of Ratables, County Board of Taxation

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAX PAYER	2020		2011	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
	Not Available		Not Available	
TOTAL	<u>\$ -</u>	<u>0.00%</u>	<u>\$ -</u>	<u>0.00%</u>

SOURCE: MUNICIPAL TAX ASSESSOR

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2020	2,961,323	2,961,323	100.00%	-
2019	2,899,386	2,899,386	100.00%	-
2018	2,667,712	2,667,712	100.00%	-
2017	2,700,789	2,700,789	100.00%	-
2016	2,639,341	2,639,341	100.00%	-
2015	2,597,525	2,597,525	100.00%	-
2014	2,490,957	2,490,957	100.00%	-
2013	2,293,870	2,293,870	100.00%	-
2012	2,506,521	2,506,521	100.00%	-
2011	2,490,521	2,490,521	100.00%	-

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)	CAPITAL LEASES			
2020	\$ 690,000	\$ -	\$ 150,000	840,000	N/A	N/A
2019	795,000	-	200,000	995,000	N/A	327
2018	890,000	-	37,481	927,481	0.780%	303
2017	990,000	-	73,391	1,063,391	0.923%	345
2016	1,090,000	-	107,795	1,197,795	1.066%	387
2015	1,190,000	-	140,757	1,330,757	1.201%	426
2014	1,295,000	-	172,337	1,467,337	1.308%	469
2013	1,360,000	-	202,593	1,562,593	1.410%	500
2012	1,685,000	-	262,895	1,947,895	1.760%	623
2011	2,015,000	-	320,505	2,335,505	2.172%	747

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2020	\$ 690,000	\$ -	\$ 690,000	N/A	N/A
2019	795,000	-	795,000	N/A	N/A
2018	890,000	-	890,000	0.47%	23
2017	990,000	-	990,000	0.52%	26
2016	1,090,000	-	1,090,000	0.58%	30
2015	1,190,000	-	1,190,000	0.63%	34
2014	1,295,000	-	1,295,000	0.69%	36
2013	1,360,000	-	1,360,000	0.72%	38
2012	1,685,000	-	1,685,000	0.90%	48
2011	2,015,000	-	2,015,000	1.09%	59

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Deerfield Township	\$ 366,451	100.00%	\$ 366,451
County of Cumberland- Township's Share	94,714,745	2.23%	2,107,403
Other Debt:			
County of Cumberland			
Cumberland Regional School District-Township's Share	690,000	100.000%	<u>690,000</u>
Subtotal, Overlapping Debt			3,163,854
Deerfield Township School District Direct Debt			<u>795,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 3,958,854</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by County Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the above. 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.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 6,960,083	\$ 5,878,804	5,840,586	5,845,428	5,910,335	6,042,946	6,217,112	6,410,732	6,566,474	6,709,840
Total Net Debt Applicable to Limit	840,000	795,000	890,000	990,000	1,090,000	1,190,000	1,295,000	1,360,000	1,685,000	2,015,000
Legal Debt Margin	\$ 6,120,083	\$ 5,083,804	\$ 4,950,586	\$ 4,855,428	\$ 4,820,335	\$ 4,852,946	\$ 4,922,112	\$ 5,050,732	\$ 4,881,474	\$ 4,694,840
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.07%	13.52%	15.24%	16.94%	18.44%	19.69%	20.83%	21.21%	25.66%	30.03%

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized Valuation Basis	Total
Average Equalized Valuation of Taxable Property		
	2019	\$202,408,689
	2018	\$199,584,738
	2017	\$194,585,139
		<u>\$ 596,578,566</u>
Debt Limit (3.5 % of Average Equalization Value)		<u>\$ 198,859,522</u>
Net Bonded School Debt		<u>\$ 6,960,083</u>
Legal Debt Margin		<u>840,000</u>
		<u>\$ 6,120,083</u>

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2019	3,012	N/A	N/A
2018	3,039	40,289	4.8%
2017	3,057	38,893	4.9%
2016	3,083	37,363	6.2%
2015	3,099	36,253	7.7%
2014	3,123	35,468	9.5%
2013	3,131	35,825	8.3%
2012	3,124	35,468	12.8%
2011	3,125	35,413	11.4%
2010	3,126	34,399	9.9%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income

c Per Capita

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO**

2020		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

NOT AVAILABLE

2011		
------	--	--

NOT AVAILABLE

Source: Comprehensive Annual Financial Reports of Individual School Districts

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular	23.4	24.2	24.0	23.0	23.0	24.0	22.2	24.0	24.0	24.0
Special Education	6.8	7.1	7.1	5.5	5.5	5.5	5.5	6.5	6.0	6.0
Support Services:										
Student & Instruction Related Services	2.8	4.1	4.5	5.3	4.5	3.5	2.5	3.0	3.0	3.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations & Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Business & Other Support Services	1.6	1.6	1.6	1.0	1.0	1.0	1.0	1.5	1.5	1.5
Total	39.6	42.0	42.2	39.8	39.0	39.0	36.2	40.0	39.5	39.5

Source: District Personnel Records

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (d)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						TEACHER RATIO	ELEMENTARY				
2020	268	6,229,449	23,244	3.47%	30.2	9:1	265.2	257.9	-12.24%	97.25%	
2019	298	6,694,628	22,465	23.5%	31.3	10.1	302.2	288.2	-8.34%	95.37%	
2018	335	6,093,007	18,188	-4.57%	31.1	11.1	329.7	312.9	2.49%	94.90%	
2017	321	6,117,764	19,058	6.80%	28.5	11.1	321.7	305.6	-1.68%	95.00%	
2016	327	5,841,815	17,845	5.92%	28.5	12.1	327.2	314.6	-1.96%	96.15%	
2015	334	5,672,072	16,848	-1.21%	29.5	11.1	336.9	320.9	0.12%	95.25%	
2014	331	5,644,998	17,055	4.75%	27.7	12.1	336.5	316.7	2.93%	94.12%	
2013	347	5,649,964	16,282	11.59%	30.2	11.5:1	326.9	314.3	-8.45%	96.15%	
2012	360	5,252,626	14,591	9.60%	30.0	12.1	357.1	340.4	-4.31%	95.32%	
2011	373	4,965,740	13,313	1.46%	30.0	12.1	373.2	357.1	-3.14%	95.69%	

Sources: District records

- (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)

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elementary: Deerfield Elementary Schhol	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936
Square Feet										
Capacity (Students)	268	298	335	321	327	334	331	347	360	373
Enrollment										

Number of Schools at June 30, 2020:
Elementary = 1

The capacity was unavailable for 2011-2020

Source: District Facilities Office
Enrollment is based on the annual October district count.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Deerfield Township School	130,979	351,139	121,503	104,385	95,177	84,976	93,451	30,614	41,090	31,029
Total School Facilities	\$ 130,979	\$ 351,139	\$ 121,503	\$ 104,385	\$ 95,177	\$ 84,976	\$ 93,451	\$ 30,614	\$ 41,090	\$ 31,029

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

Source: District records

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020**

	COVERAGE	DEDUCTIBLE
School Package Policy - NJ School Board Association Insurance Group		
Property- Blanket Building & Contents	\$ 500,000,000	\$ 5,000
Blanket Extra	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Electronic Data Processing	98,000	1,000
Boiler and Machinery	100,000,000	5,000
General Liability	6,000,000	
Sex Abuse	6,000,000	
Automobile	6,000,000	
Employee Benefits Liability	6,000,000	1,000
Crime	100,000	1,000
Errors and Omissions	1,000,000	10,000
Workmen's Compensation	2,000,000	
Flood	75,000,000	
Earthquake	50,000,000	
Terrorism	1,000,000	
Demolition	25,000,000	
Limited Builders Risk	10,000,000	
Fire Department SC	10,000	
Arson Reward	10,000	
Pollutant Cleanup	250,000	
Accounts Receivable	250,000	
Terrorism- Lloy's Insurance	100,000,000	
Crisis Management Policy- National Union Fire Insurance Co	1,000,000	
Cyberliability Response- Beazley Insurance Company, Inc	2,000,000	10,000

SINGLE AUDIT SECTION

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

Honorable President and Members
of the Board of Education
Deerfield Township School District
County of Cumberland
Rosenhayn, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Deerfield Township School District (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 5, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to be a significant deficiency, described in the accompanying comments and recommendation section as Finding No. 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three 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 as Finding No.'s 2020-001, 2020-002, and 2020-003.

The Deerfield Township School District's response to the findings identified in our 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, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 5, 2021

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

Honorable President and Members
of the Board of Education
Deerfield Township School District
County of Cumberland
Rosenhayn, New Jersey

Report on Compliance for Each Major State Program

We have audited the Deerfield Township School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2020. The School District’s major 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we 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 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 we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance as Finding No's. 2020-002 and 2020-003. Our opinion on each major state program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the 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 our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in

internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency, described in the accompanying comments and recommendation section as Finding No. 2020-001.

The Deerfield Township School District's response to the internal control over compliance findings identified in our 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 compliance and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 5, 2021

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECEIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2020	UNEARNED REVENUE AT JUNE 30, 2020	DUE TO GRANTOR AT JUNE 30, 2020
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Enterprise Fund: Child Nutrition Cluster:													
Noncash Assistance: Food Distribution Program	10.550	201NJ304N1099	Unavailable	\$ 10,058	7/1/19-6/30/20	\$ 420	\$ 10,058	(10,478)	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Assistance: National School Breakfast Program	10.553	201NJ304N1099	100-010-3350-026	20,542	7/1/19-6/30/20	-	20,542	(20,542)	-	-	-	-	-
COVID-19 National School Breakfast Program	10.553	201NJ304N1099	100-010-3350-100	8,776	3/13/20-6/30/20	-	6,169	(8,776)	-	-	(2,607)	-	-
National School Breakfast Program	10.553	191NJ304N1099	100-010-3350-026	28,822	7/1/18-6/30/19	(2,459)	2,459	-	-	-	-	-	-
						(2,459)	29,170	(29,318)	-	-	(2,607)	-	-
National School Lunch Program	10.555	201NJ304N1099	100-010-3350-026	54,745	7/1/19-6/30/20	-	54,745	(54,745)	-	-	-	-	-
COVID 19- National School Lunch Program	10.555	201NJ304N1099	100-010-3350-098	13,962	3/13/20-6/30/20	-	9,815	(13,962)	-	-	(4,147)	-	-
National School Lunch Program	10.555	191NJ304N1099	100-010-3350-026	79,560	7/1/18-6/30/19	(6,169)	6,169	-	-	-	-	-	-
						(6,169)	70,729	(68,707)	-	-	(4,147)	-	-
Total Child Nutrition Cluster						(8,208)	109,957	(108,503)	-	-	(6,754)	-	-
Total Enterprise Fund						(8,208)	109,957	(108,503)	-	-	(6,754)	-	-
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
CARES Emergency Relief Grant	84.425D	S425D200027	Unavailable	78,621	3/13/2020-9/30/2022	-	-	(180)	-	-	(180)	-	-
Subtotal						-	-	(180)	-	-	(180)	-	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Special Revenue:													
Title I	84.010	S010A180030	100-034-5064-194	114,043	7/1/17-6/30/19	(107,228)	108,013	-	(785)	-	-	-	-
Title I	84.010	S010A190030	100-034-5064-194	104,710	7/1/19-6/30/20	-	38,608	(96,203)	-	-	(57,595)	-	-
Subtotal						(107,228)	146,621	(96,203)	(785)	-	(57,595)	-	-
Title I Reallocated	84.010A	S010A190030	100-034-5064-194	6,701	7/1/19-6/30/20	-	-	(2,504)	-	-	(2,504)	-	-
Subtotal						-	-	(2,504)	-	-	(2,504)	-	-
Title II	84.367A	S367A180029	100-034-5063-290	14,866	7/1/18-6/30/19	(14,332)	14,332	-	-	-	-	-	-
Title II	84.367A	S367A190029	100-034-5063-290	18,702	7/1/19-6/30/20	-	-	(17,069)	-	-	(17,069)	-	-
Subtotal						(14,332)	14,332	(17,069)	-	-	(17,069)	-	-
Title IV	84.424A	S424A180031	100-034-5063-348	10,000	7/1/18-6/30/19	(7,000)	7,000	-	-	-	-	-	-
Title IV	84.424A	S424A190031	100-034-5063-348	10,000	7/1/19-6/30/20	-	-	(1,932)	-	-	(1,932)	-	-
Subtotal						(7,000)	7,000	(1,932)	-	-	(1,932)	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027A	H027A180100	100-034-5065-016	89,136	7/1/18-6/30/19	(78,092)	78,092	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027A	H027A190100	100-034-5065-016	86,159	7/1/19-6/30/20	-	61,977	(97,203)	-	-	(35,226)	-	-
Subtotal						(78,092)	140,069	(97,203)	-	-	(35,226)	-	-
Total Special Education Cluster						(78,092)	140,069	(97,203)	-	-	(35,226)	-	-
REAP	84.358A	S358S180030	Unavailable	20,718	07/01/18-09/30/19	(19,659)	20,718	-	-	-	-	1,059	-
REAP	84.358A	S358S170030	Unavailable	21,403	07/01/17-09/30/18	(6,731)	6,731	-	-	-	-	-	-
Subtotal						(26,390)	27,449	-	-	-	-	1,059	-
Total Special Revenue Fund						(233,042)	335,471	(215,091)	(785)	-	(114,506)	1,059	-
Total Federal Financial Assistance						\$ (241,250)	\$ 445,428	\$ (323,774)	\$ (785)	\$ -	\$ (121,440)	\$ 1,059	\$ -

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2020	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:											
General Fund:											
State Aid Public:											
Equalization Aid	495-034-5120-078	\$ 2,320,668	7/1/19-6/30/20	\$ -	2,320,668	\$ (2,320,668)	\$ -	\$ -	\$ -	207,138	\$ 2,320,668
Special Education Categorical Aid	495-034-5120-089	194,666	7/1/19-6/30/20	-	194,666	(194,666)	-	-	-	19,472	194,666
Security Aid	495-034-5120-084	45,634	7/1/19-6/30/20	-	45,634	(45,634)	-	-	-	4,558	45,634
Total State Aid Public					2,560,968	(2,560,968)				231,168	2,560,968
Transportation Aid	495-034-5120-014	95,887	7/1/19-6/30/20	-	95,887	(95,887)	-	-	-	9,596	95,887
Extraordinary Aid	495-034-5120-044	12,687	7/1/19-6/30/20	-	-	(12,687)	-	-	(12,687)	-	12,687
Extraordinary Aid	495-034-5120-044	13,610	7/1/18-6/30/19	(13,610)	13,610	-	-	-	-	-	-
Additional Non-Public School Transportation Aid	495-034-5120-014	6,090	7/1/18-6/30/19	(6,090)	6,090	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	495-034-5094-003	167,288	7/1/19-6/30/20	-	159,050	(167,288)	-	-	(8,238)	-	167,288
Reimbursed TPAF Social Security Contribution	495-034-5094-003	1,021,383	7/1/18-6/30/19	(9,039)	9,039	-	-	-	-	-	-
Noncash Assistance:											
TPAF - Pension Contribution	495-034-5094-002	528,439	7/1/19-6/30/20	-	528,439	(528,439)	-	-	-	-	528,439
TPAF - Post Retirement Medical Contribution	495-034-5094-001	196,041	7/1/19-6/30/20	-	196,041	(196,041)	-	-	-	-	196,041
TPAF - Long-Term Disability Insurance	495-034-5094-003	496	7/1/19-6/30/20	-	496	(496)	-	-	-	-	496
Total General Fund Assistance				(28,739)	3,569,620	(3,561,806)	-	-	(20,925)	240,764	3,561,806
Special Revenue Fund:											
Preschool Education Aid	495-034-5120-086	154,497	7/1/19-6/30/20	(20,306)	159,352	(145,889)	-	-	(6,843)	15,447	145,889
Total Special Revenue				(20,306)	159,352	(145,889)	-	-	(6,843)	15,447	145,889
Enterprise Fund:											
National School Lunch Program	100-010-3350-023	1,927	7/1/18-6/30/19	(147)	147	-	-	-	-	-	-
National School Lunch Program	100-010-3350-023	1,369	7/1/19-6/30/20	-	1,304	(1,369)	-	-	(65)	-	1,369
Total Enterprise Fund Assistance				(147)	1,451	(1,369)	-	-	(65)	-	1,369
Total State Financial Assistance				(49,192)	3,730,423	(3,709,064)	-	-	(27,833)	256,211	3,709,064
State Financial Assistance Programs not subject to Calculation for Major Program Determination											
TPAF- Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	\$			\$	528,439					
TPAF- Post-Retirement Medical (Noncash Assistance)	495-034-5094-001					196,041					
TPAF- Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-003					496					
Total State Financial Assistance subject to Calculation for Major Program Determination						\$ (2,984,088)					

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Deerfield Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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 is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2020. 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, 2020.

Note 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 expenditures have been made.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Note 3. Relationship to Basic Financial Statements (continued):

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,859 for the general fund and \$13,463 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 3,564,665	\$ 3,564,665
Special Revenue Fund	214,910	159,352	374,262
Food Service Fund	<u>108,503</u>	<u>1,369</u>	<u>109,872</u>
Total Awards & Financial Assistance	<u>\$ 323,413</u>	<u>\$ 3,725,386</u>	<u>\$ 4,048,799</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Deerfield Township School District had no loan balances outstanding at June 30, 2020.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	<u> X </u> yes _____ none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

SECTION IS N/A- NOT REQUIRED

Internal control over major programs:	
1) Material weakness(es) identified?	_____ yes _____ no
2) Significant deficiency(ies) identified?	_____ yes _____ none reported
Type of auditor's report issued on compliance for major programs	_____
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
------------------------------	------------------------------	--

Not Applicable

Dollar threshold used to determine Type A programs	_____
Auditee qualified as low-risk auditee?	_____ yes _____ no

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? X yes no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? X yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid-Public Cluster: Equalization Aid
495-034-5094-089	Special Education Categorical Aid
495-034-5120-084	Categorical Security Aid

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

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

Finding No. 2020-001:

Criteria of Specific Requirement:

The timely preparation, reconciliation and submission of monthly board secretary and treasurer reports to the board of education.

Condition:

The District did not submit monthly board secretary and treasurer reports to the board in a timely manner.

Context:

The June 30, 2020 board secretary report was not prepared until November 2020 and therefore the treasurer's report was not able to be completed in a timely manner.

Cause:

The District lacks proper internal controls surrounding the preparation of the Board Secretary's report.

Effect or Potential Effect:

The District is not in compliance with N.J.S.A. 18A:17-9.

Recommendation:

That the District prepare the Board Secretary and Treasurer reports in a timely manner per N.J.S.A. 18A:17-9.

Management Response:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

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

FEDERAL AWARDS

Not applicable.

STATE FINANCIAL ASSISTANCE

Finding No. 2020-002

Information on the State Program

State Aid Public:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-13.3 requires school districts to receive Commissioner approval or executive county superintendent as Commissioner’s designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

Condition:

The District could not provide documentation that it obtained approval for the line item transfers from any general fund appropriation account that on a cumulative basis exceeded 10 percent.

Questioned Costs:

None.

Context:

The District could not provide documentation that approvals were obtained when transfers exceeded 10 percent of an appropriation account.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs
(continued)**

Finding No. 2020-002 (continued)

Effect:

The District did not comply with N.J.S.A. 18A:22-8.1 requirements.

Cause:

Unknown

Recommendation:

That the District comply with N.J.A.C. 6A:23A-13.3 by receiving Commissioner approval or Executive County superintendent as Commissioner’s designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

View of Responsible Officials:

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

Finding No. 2020-003

Information on the State Program:

State Aid Public:	
Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

N.J.S.A. 18A:17-10 requires Districts to file a copy of its annual report with the county superintendent on or before August 1st of each year.

Condition:

The District did not file a copy of its annual report with the county superintendent on or before August 1st as required.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs
(continued)**

Finding No. 2020-003 (continued)

Questioned Costs:

None.

Context:

The District could not provide documentation that it filed its annual report with the county superintendent.

Effect:

The District did not comply with N.J.S.A 18A:17-10.

Cause

Unknown

Recommendation:

That the District comply with N.J.S.A 18A:17-10 by filing a copy of its annual report with the county superintendent on or before August 1st of each year.

View of Responsible Officials:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

Not applicable.

State Financial Assistance

No Prior Year Findings.