

TOWNSHIP OF DEPTFORD

SCHOOL DISTRICT

DEPTFORD, NEW JERSEY

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
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INTRODUCTORY SECTION



DEPTFORD TOWNSHIP BOARD OF EDUCATION

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(856) 232-2700 Fax: (856) 227-7473
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Kevin M. Kanauss
Chief Academic Officer

Arthur E. Dietz
Superintendent

Todd D. Reitzel, MBA
Business Administrator
Board Secretary

February 3, 2021

Honorable President and
Members of the Board of Education
Deptford Township School District
Gloucester County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Deptford 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and the State Treasury Circular Letter 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 auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Deptford Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board Statement No. 14. All funds of the District are included in this report. The Deptford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for students with disabilities.

2. ECONOMIC CONDITION AND OUTLOOK: The Deptford area is served by major transportation routes including 1-295, NJ Turnpike, Route 42, and Route 55. The high level of developer interest in Deptford is due in large measure to its access to these highways. The Deptford Mall and shopping centers, restaurants and theaters surrounding the Mall are a focal point of attraction and serve a wide area of South Jersey and even South Philadelphia. Since a November 1987 study, conducted by the Delaware Valley Planning Commission, projected a population increase, Deptford has seen several housing developments constructed as well as several large businesses building in the area. It is expected that expansion will continue and the area will continue to prosper.

3. MAJOR INITIATIVES: Students in the Deptford Township School District receive a comprehensive educational program. The District's 2019-2020 major initiatives are listed below:

District:

- The implementation, training, and population of course materials into the Canvas Learning Management System for all courses and grade levels K-12. Canvas is meant to be a part of our instructional fabric as a District. Further work will be added this upcoming summer to fortify teachers' skills and course development with Canvas.

Elementary:

- The continued implementation of K indergarten through Sixth Grade inquiry-based Science program through the NJ Model Science Curriculum. There is also the implementation of virtual science and laboratory activities (Mystery Science) for students to complete in learning centers independently at home.
- The continued implementation of a comprehensive core English Language Arts and mathematics programs in grades K-6, which was reused to incorporate New Jersey Student Learning Standards and the skills assessed in the NJ Student Learning Assessment (NJSLA).
- The continued use of the LinkIt Benchmark Assessment and data warehousing program in grades K- 6. Each year, teacher and instructional supervisors add more curricular-based assessments to establish a clear picture of each student that gets shared and used to make decisions about instruction for students at the individual student level.
- The continued implementation of a full-day Kindergarten program which is developmentally appropriate and based on State Kindergarten regulations.
- The implementation of ongoing diagnostic reading assessments (Leveled Literacy Intervention and Benchmark Assessment System) in grades K-5 to guide and support students in being able to read at or above their grade level.
- The continued implementation of a research based comprehensive Pre- K program endorsed the New Jersey Office of Early Childhood Education based on our use of the Tools of the Mind (NJDOE approved) curriculum.

Middle School:

- The continued implementation of a comprehensive core English Language Arts and mathematics programs in grades 7 and 8, which was revised to incorporate New Jersey Student Learning Standards and NJSLA.
- The continued implementation of an inquiry based science program in grades 7 and 8. There is also the implementation of virtual mathematics and science manipulatives and laboratory activities (Gizmos) for students to complete in learning centers at independently at home.
- The continued implementation of a research-based social studies program in grades 7-8. We are looking into the implementation of an Advanced Placement (AP) history course for the 2021-2022 school year for our Middle School students.
- Continuing to offer our advanced courses in our core academic classes to prepare our students for advanced and academy courses at the high school.
- Implementation of computer coding and skills courses in state-of-the-art computer labs.
- The continued use of LinkIt Benchmark Assessment and data warehousing program in grades 7-8. Each year, teacher and instructional supervisors add more curricular-based assessments to establish a clear picture of each student that gets shared and used to make decisions about instruction for students at the individual student level.

High School:

- The continued implementation of a comprehensive core English Language Arts and mathematics programs in grades 9 through 12, which was revised to incorporate New Jersey Student Learning Standards and NJSLA.
- Continued implementation of a discovery-based math and science programs. There is also the implementation of virtual mathematics and science manipulatives and laboratory activities (Gizmos) for students to complete in learning centers at independently at home.
- The continued use of LinkIt Benchmark Assessment and data warehousing program in grades 9-12. Each year, teacher and instructional supervisors add more curricular-based assessments to establish a clear picture of each student that gets shared and used to make decisions about instruction for students at the individual student level.
- The expansion of our core modeling and Academy courses to include our biomedical sciences, engineering, computer science, business, music and choir, art, and carpentry offerings.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy

of the internal control, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year end are either canceled or included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2020.

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

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in New Jersey statute 18A:20-37. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. ("GUDPA") GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board of Education is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10.

The GCSSDJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery and auto physical damage.
2. General Liability, including school board legal liability.
3. Automobile Liability.
4. Workers' Compensation.

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The certified public accounting firm of Bowman

& Company LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Deptford Township 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 been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

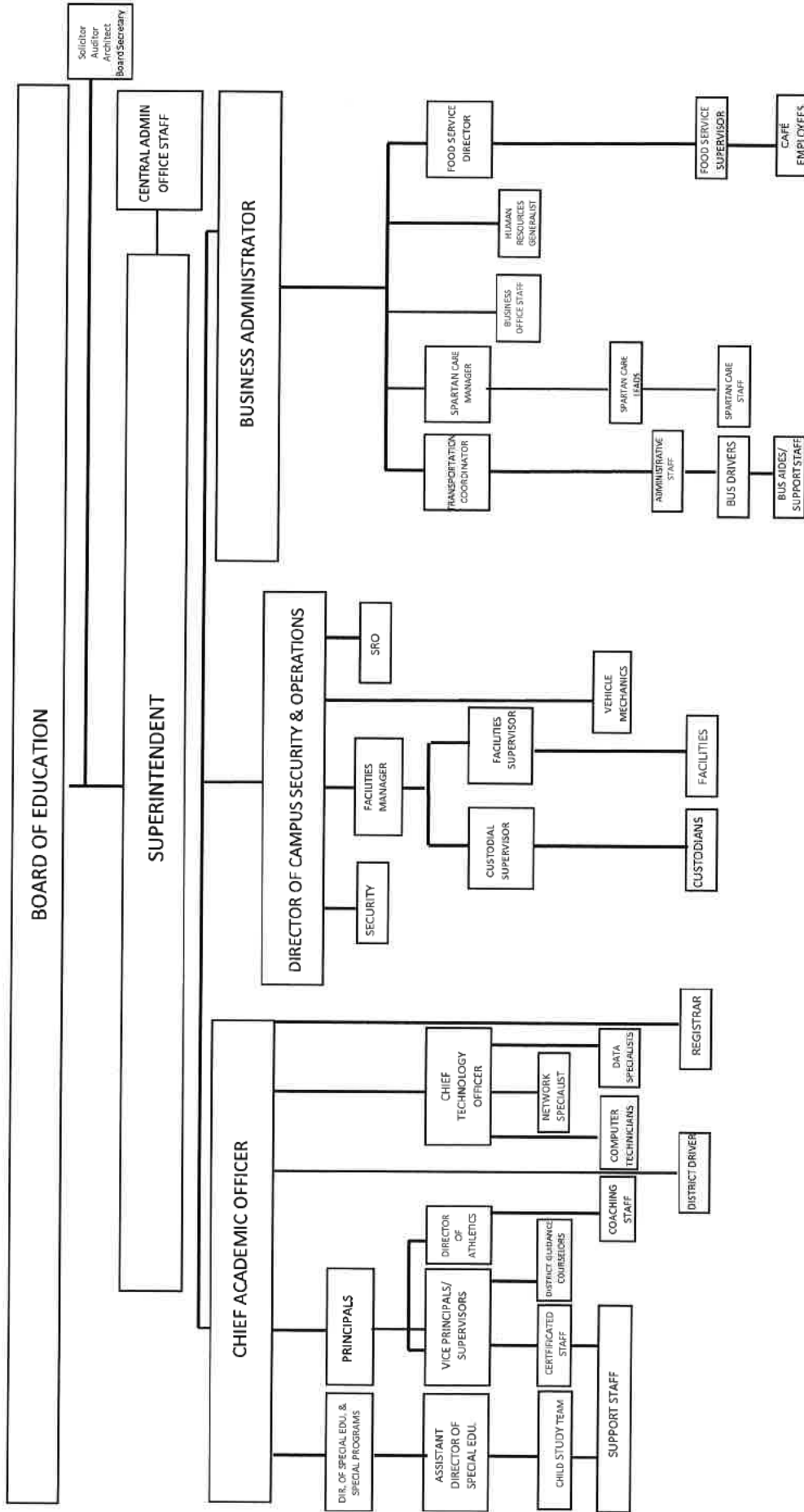


Arthur Dietz
Superintendent



Todd D. Reitzel, MBA
School Business Administrator /
Board Secretary

Deptford Township Board of Education Organizational Chart



DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2020

Members of the Board of Education

Term Expires

Carol Gioia	2022
Ed Kalinowski	2022
Susan Kryszczak (President)	2021
Ruth Logue	2022
James McDevitt, III (Vice President)	2021
Joe McKenna	2020
Laura Newcomb	2021
Linda Rosser	2020
Frank Scambia	2020

Other Officials

Mr. Arthur Dietz, Superintendent

Kevin Kanauss, Chief Academic Officer

Todd Reitzel, School Business Administrator/Board Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

AUDIT FIRM

Bowman & Company, LLP
601 White Horse Road
Voorhees, NJ 08043

ATTORNEYS

Albert Marmero
Grace, Marmero & Associates, LLP
44 Euclid Street
Woodbury, NJ 08096

Jeff Winitsky
Parker McCay, P.A.
9000 Midlantic Drive, Suite 300
Mt. Laurel, NJ 08054

OFFICIAL DEPOSITORY

Columbia Bank
1460 Clements Bridge Road
Deptford, NJ 08096

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

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 Township of Deptford School District, in the County of Gloucester, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that 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 entity'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 entity'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.

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

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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 Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, 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 Township of Deptford School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance 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 accompanying combining statements and related major fund supporting statements and schedules and 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 it.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2021 on our consideration of the Township of Deptford 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 solely 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 Township of Deptford 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 Township of Deptford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20CS0020500

Voorhees, New Jersey
February 3, 2021

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, 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, and have issued our report thereon dated February 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Deptford School District's internal control over financial reporting (internal control) as a basis for designing 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 Township of Deptford School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Deptford 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20CS0020500

Voorhees, New Jersey
February 3, 2021

REQUIRED SUPPLEMENTARY INFORMATION
PART I

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

The management's discussion and analysis of the Township of Deptford School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020 and 2019. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2020:

- The liabilities and deferred inflows of resources of the Township of Deptford School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$5,557,215 (net position).
- The School District's total net position increased by \$3,616,012.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$7,389,300, an increase of \$3,617,718 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$739,996, which is an increase of \$127,942 in comparison with the prior year.
- The Township of Deptford School District's total debt decreased by \$1,265,000 as a result of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations *in more detail* than the government-wide statements.
- *Governmental funds* statements tell how basic services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short* and *long-term* financial information about the activities the School District operates *like businesses*, such as food services and childcare.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee or agent* for the benefit of others.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services and child care services.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services and child care services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2020 and 2019.

TABLE 1				
Net Position				
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 8,453,088	\$ 4,179,212	\$ 4,273,876	102.27%
Capital Assets	22,906,664	24,188,460	(1,281,796)	-5.30%
Total Assets	<u>31,359,752</u>	<u>28,367,672</u>	<u>2,992,080</u>	<u>10.55%</u>
Deferred Outflows of Resources:				
Related to Pensions	5,473,248	8,497,301	(3,024,053)	-35.59%
Liabilities:				
Long-Term Liabilities	27,273,066	32,106,352	(4,833,286)	-15.05%
Other Liabilities	3,945,430	3,393,378	552,052	16.27%
Total Liabilities	<u>31,218,496</u>	<u>35,499,730</u>	<u>(4,281,234)</u>	<u>-12.06%</u>
Deferred Inflow of Resources - Related to Pensions	11,171,719	10,538,470	633,249	6.01%
Net Position:				
Net Investment in Capital Assets	20,277,458	20,169,620	107,838	0.53%
Restricted	6,710,520	4,235,777	2,474,743	58.42%
Unrestricted (Deficit)	(32,545,193)	(33,578,624)	1,033,431	-3.08%
Total Net Position (Deficit)	<u>\$ (5,557,215)</u>	<u>\$ (9,173,227)</u>	<u>\$ 3,616,012</u>	<u>-39.42%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the effect of pension-related items.

TABLE 2				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 5,473,248	\$ 8,497,301	\$ (3,024,053)	-35.59%
Less: Net Pension Liability	(24,503,092)	(28,163,905)	3,660,813	-13.00%
Less: Deferred Inflows Related to Pensions	(11,171,719)	(10,538,470)	(633,249)	6.01%
	<u>\$ (30,201,563)</u>	<u>\$ (30,205,074)</u>	<u>\$ 3,511</u>	<u>-0.01%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2020 and 2019.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,103,288	\$ 1,485,982	\$ (382,694)	-25.75%
Operating Grants and Contributions	8,396,022	18,362,888	(9,966,866)	-54.28%
General Revenues:				
Property Taxes	44,377,651	42,671,667	1,705,984	4.00%
Grants and Contributions	36,928,568	36,354,510	574,058	1.58%
Other	53,704	128,338	(74,634)	-58.15%
Total Revenues	<u>90,859,233</u>	<u>99,003,385</u>	<u>(8,144,152)</u>	<u>-8.23%</u>
Expenses:				
Instruction:				
Regular	23,268,782	23,134,604	134,178	0.58%
Special Education	6,679,145	4,775,863	1,903,282	39.85%
Other Special Instruction	2,123,204	2,219,589	(96,385)	-4.34%
Student Services:				
Tuition	6,229,187	6,294,288	(65,101)	-1.03%
Student and Instruction Related	7,526,977	7,337,191	189,786	2.59%
General Administrative Services	805,216	869,150	(63,934)	-7.36%
School Administrative Services	2,364,291	2,505,491	(141,200)	-5.64%
Central Services	463,620	534,454	(70,834)	-13.25%
Administrative Information Technology	575,799	473,243	102,556	21.67%
Plant Operations and Maintenance	5,633,468	5,817,965	(184,497)	-3.17%
Pupil Transportation	3,001,773	3,641,837	(640,064)	-17.58%
Unallocated Benefits	26,775,752	37,502,534	(10,726,782)	-28.60%
Special Schools	5,000	37,743	(32,743)	-86.75%
Transfer to Charter School	118,797	219,283	(100,486)	-45.82%
Interest on Long-Term Debt	50,194	86,051	(35,857)	-41.67%
Food Service	1,256,938	1,667,155	(410,217)	-24.61%
Childcare Program	365,078	473,079	(108,001)	-22.83%
Total Expenses	<u>87,243,221</u>	<u>97,589,520</u>	<u>(10,346,299)</u>	<u>-10.60%</u>
Increase (Decrease) in Net Position	3,616,012	1,413,865	2,202,147	1.56
Beginning Net Position (Deficit)	<u>(9,173,227)</u>	<u>(10,587,092)</u>	<u>1,413,865</u>	<u>-13.35%</u>
Ending Net Position (Deficit)	<u>\$ (5,557,215)</u>	<u>\$ (9,173,227)</u>	<u>\$ 3,616,012</u>	<u>-39.42%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities

In 2019-2020, Governmental Activities Revenues were \$89,176,856 or 98.15% of total revenues.

In 2018-2019, Governmental Activities Revenues were \$96,802,996 or 97.78% of total revenues.

The \$7,626,140 decrease in Governmental Activities Revenues from 2018-2019 to 2019-2020 was mainly related to GASB 68 and GASB 75.

In 2019-2020, General Revenues - Property Taxes of \$44,377,651 made up 49.76%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$36,928,568 made up 41.41% of Governmental Activities Revenues.

In 2018-2019, General Revenues - Property Taxes of \$42,671,667 made up 44.08%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$36,354,510 made up 37.56% of Governmental Activities Revenues.

In 2019-2020, the School District's Governmental Activities expenditures decreased by \$8,828,081 or 9.25% from 2018-2019.

Business-Type Activities

In 2019-2020 Business-Type Activities Revenues were \$1,682,377 or 1.85% of total revenues. In 2018-2019 Business-Type Activities Revenues were \$2,200,389 or 2.22% of total revenues.

Charges for Services for Business-Type Activities were \$835,603 in 2019-2020 compared to \$1,098,678 in 2018-2019, a 23.94% decrease.

Operating Grants and Contributions for Business-Type Activities were \$747,983 in 2019-2020 compared to \$919,179 in 2018-2019, a 18.62% decrease.

Expenses for Business-Type Activities were \$1,622,016 in 2019-2020 compared to \$2,140,234 in 2018-2019, an 24.21% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$70,239,589, which was equal to the original budget.

The 2019-2020 General Fund Tax Levy was \$43,045,120, an increase of \$1,717,153 or 4.15% from the 2018-2019 General Fund Tax Levy was \$41,327,967.

During fiscal year 2020, the School District budgeted \$43,045,120 for property taxes (local tax levy) and \$26,529,831 for state aid revenues.

The School District also received \$2,206,492 and \$7,842,592 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical and Pension Contributions, respectively. The Township of Deptford School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Pension and Medical Contributions of \$2,206,492 and \$7,842,592 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$71,328,560, which was less than the original budget.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2020
 (Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$7,389,300, a increase of \$3,617,718 in comparison with the prior year.

Of the combined ending fund balances of \$7,389,300, \$833,302 constitutes unassigned fund balance deficits. The remainder of fund balance of \$8,222,602 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had a deficit of \$12,482 in unrestricted net position.

CAPITAL ASSETS

The Township of Deptford School District's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$22,906,664 (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 Township of Deptford School District's investment in capital assets for the current fiscal year of 5.30%. The net decrease was the result of the net effect of the 2020 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

TABLE 4
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land	\$ 210,136	\$ 210,136
Construction in Progress	352,512	-
Site Improvements	531,623	588,707
Building and Improvements	15,771,008	17,145,487
Equipment	<u>6,041,385</u>	<u>6,244,130</u>
 Total Capital Assets	 <u>\$ 22,906,664</u>	 <u>\$ 24,188,460</u>

Depreciation expense was \$2,449,376 for fiscal year ended 2020 and \$2,396,251 for fiscal year ended 2019.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Township of Deptford School District had total bonded debt outstanding of \$2,575,000. The entire Township of Deptford School District's bonded debt is governmental as opposed to business-type. The 2016 refunding bonds will mature on February 1, 2022.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2019-2020 school year, the Township of Deptford School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 49.76% of total revenue is from local tax levy and 44.35% of the Township of Deptford School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Township of Deptford Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Township of Deptford School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Todd Reitzel, Business Administrator/Board Secretary at the Township of Deptford School District, 2022 Good Intent Road, Deptford, New Jersey 08096.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 3,832,097	\$ 88,616	\$ 3,920,713
Receivables, net (Note 4)	1,032,988	95,797	1,128,785
Internal Balances	191,669	(191,669)	
Inventory		15,054	15,054
Restricted Assets:			
Restricted Cash and Cash Equivalents	3,388,536		3,388,536
Capital Assets, net (Note 6)	22,747,131	159,533	22,906,664
Total Assets	31,192,421	167,331	31,359,752
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pension (Note 8)	5,473,248		5,473,248
LIABILITIES:			
Accounts Payable			
Related to Pensions	1,378,523		1,378,523
Other	948,482		948,482
Payable to State Government	566		566
Unearned Revenue	106,942		106,942
Accrued Interest Payable	17,168		17,168
Noncurrent Liabilities (Note 7):			
Due within One Year	1,493,749	7,195	1,500,944
Due beyond One Year	27,252,786	13,085	27,265,871
Total Liabilities	31,198,216	20,280	31,218,496
DEFERRED INFLOW OF RESOURCES:			
Related to Pension (Note 8)	11,171,719		11,171,719
NET POSITION:			
Net Investment in Capital Assets	20,117,925	159,533	20,277,458
Restricted for:			
Capital Projects	2,663,338		2,663,338
Other Purposes	4,047,182		4,047,182
Unrestricted (Deficit)	(32,532,711)	(12,482)	(32,545,193)
Total Net Position (Deficit)	\$ (5,704,266)	\$ 147,051	\$ (5,557,215)

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 23,268,782		\$ 3,701	\$ (23,265,081)		\$ (23,265,081)
Special Education	6,679,145	\$ 267,685	1,028,080	(5,383,380)		(5,383,380)
Other Special Instruction	2,123,204		203,040	(1,920,164)		(1,920,164)
Support Services:						
Tuition	6,229,187		1,139,278	(5,089,909)		(5,089,909)
Student and Instruction Related Services	7,526,977		151,825	(7,375,152)		(7,375,152)
General Administrative Services	805,216			(805,216)		(805,216)
School Administrative Services	2,364,291			(2,364,291)		(2,364,291)
Central Services	463,620			(463,620)		(463,620)
Administrative Information Technology	575,799			(575,799)		(575,799)
Plant Operations and Maintenance	5,633,468			(5,633,468)		(5,633,468)
Pupil Transportation	3,001,773			(3,001,773)		(3,001,773)
Unallocated Benefits	26,775,752		5,122,115	(21,653,637)		(21,653,637)
Special School	5,000			(5,000)		(5,000)
Transfer to Charter School	118,797			(118,797)		(118,797)
Interest on Long-Term Debt	50,194			(50,194)		(50,194)
Total Governmental Activities	85,621,205	267,685	7,648,039	(77,705,481)	-	(77,705,481)
Business-Type Activities:						
Food Service	1,256,938	419,129	747,983		\$ (89,826)	(89,826)
Childcare Program	365,078	416,474			51,396	51,396
Total Business-Type Activities	1,622,016	835,603	747,983	-	(38,430)	(38,430)
Total Government	\$ 87,243,221	\$ 1,103,288	\$ 8,396,022	(77,705,481)	(38,430)	(77,743,911)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				43,045,120		43,045,120
Taxes Levied for Debt Service				1,332,531		1,332,531
Federal and State Aid Not Restricted				36,928,568		36,928,568
Interest and Investment Earnings				116,534	1,864	118,398
Miscellaneous Income				118,644		118,644
Loss on disposal of capital asset				(183,338)		(183,338)
Transfer				(96,927)	96,927	-
Total General Revenues, Loss on Disposal of Capital Assets and Transfers				81,261,132	98,791	81,359,923
Change in Net Position				3,555,651	60,361	3,616,012
Net Position (Deficit) -- July 1				(9,259,917)	86,690	(9,173,227)
Net Position (Deficit) -- June 30				\$ (5,704,266)	\$ 147,051	\$ (5,557,215)

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 6,042,237	\$ 453,198	\$ 725,198		\$ 7,220,633
Accounts Receivable					
State	685,699				685,699
Federal		178,160			178,160
Other	169,129				169,129
Interfunds Receivable	781,426				781,426
Total Assets	\$ 7,678,491	\$ 631,358	\$ 725,198	\$ -	\$ 9,035,047
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 195,885	\$ 277	\$ 752,320		\$ 948,482
Interfunds Payable		589,757			589,757
Payable to State Government		566			566
Unearned Revenue		106,942			106,942
Total Liabilities	195,885	697,542	752,320	-	1,645,747
Fund Balances:					
Restricted:					
Capital Reserve Account	2,663,338				2,663,338
Excess Surplus-- Designated for Subsequents Year's Expenditures	1,864,301				1,864,301
Excess Surplus	2,182,881				2,182,881
Assigned:					
Other Purposes	1,226,143				1,226,143
Designated for Subsequent Year's Expenditures	285,939				285,939
Unassigned (Deficit)	(739,996)	(66,184)	(27,122)		(833,302)
Total Fund Balances (Deficit)	7,482,606	(66,184)	(27,122)	-	7,389,300
Total Liabilities and Fund Balances	\$ 7,678,491	\$ 631,358	\$ 725,198	\$ -	

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 \$68,713,719, and the accumulated depreciation is \$45,966,588.

22,747,131

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

(4,243,443)

Accrued interest payable

(17,168)

Net Pension Liability

(24,503,092)

Accounts Payable related to the April 1, 2021 Required PERS pension contribution that is not to be liquidated with current financial resources.

(1,378,523)

Deferred Outflows of Resources - Related to Pensions

5,473,248

Deferred Inflows of Resources - Related to Pensions

(11,171,719)

Net Position of Governmental Activities

\$ (5,704,266)

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 43,045,120			\$ 1,332,531	\$ 44,377,651
Tuition Charges	267,685				267,685
Interest	116,323		\$ 211		116,534
Unrestricted Miscellaneous Revenues	118,646				118,646
State Sources	36,826,899	\$ 816,790			37,643,689
Federal Sources	101,669	1,802,205			1,903,874
Local Sources		100,000			100,000
Total Revenues	80,476,342	2,718,995	211	1,332,531	84,528,079
EXPENDITURES:					
Current:					
Regular Instruction	21,998,392	3,701			22,002,093
Special Education Instruction	5,360,110	1,028,080			6,388,190
Other Special Instruction	1,821,301	203,040			2,024,341
Support Services and Undistributed Costs:					
Tuition	5,089,909	1,139,278			6,229,187
Student and Instruction Related Services	6,995,430	151,825			7,147,255
General Administrative Services	805,216				805,216
School Administrative Services	2,242,561				2,242,561
Central Services	439,750				439,750
Administrative Information Technology	546,154				546,154
Plant Operations and Maintenance	5,432,257				5,432,257
Pupil Transportation	3,001,773				3,001,773
Unallocated Benefits	21,719,599	83,264			21,802,863
Special School	5,000				5,000
Transfer to Charter School	118,797				118,797
Debt Service:					
Principal				1,265,000	1,265,000
Interest and Other Charges				76,800	76,800
Capital Outlay	1,158,864	100,000	27,333		1,286,197
Total Expenditures	76,735,113	2,709,188	27,333	1,341,800	80,813,434
Excess (Deficiency) of Revenues over Expenditures	3,741,229	9,807	(27,122)	(9,269)	3,714,645
OTHER FINANCING SOURCES (USES):					
Operating Transfer Out to Food Service Fund - Transfer to Cover Deficit	(96,927)				(96,927)
Total Other Financing Sources and Uses	(96,927)	-	-	-	(96,927)
Net Change in Fund Balances	3,644,302	9,807	(27,122)	(9,269)	3,617,718
Fund Balance (Deficit) -- July 1	3,838,304	(75,991)	-	9,269	3,771,582
Fund Balance (Deficit) -- June 30	\$ 7,482,606	\$ (66,184)	\$ (27,122)	\$ -	\$ 7,389,300

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	3,617,718
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>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.</p>		
Depreciation Expense	\$	(2,433,762)
Capital Outlays		<u>1,286,197</u>
		(1,147,565)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		1,265,000
<p>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. (+)</p>		
		(4,368)
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Bond Premiums		30,974
The net effect of disposition of capital assets		(183,338)
<p>Repayment of capital leases is 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.</p>		
		93,660
<p>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 (+).</p>		
		(72,585)
<p>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.</p>		
		<u>(43,845)</u>
Change in Net Position of Governmental Activities	\$	<u>3,555,651</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2020

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 15,370	\$ 73,246	\$ 88,616
Accounts Receivable:			
State	4,523		4,523
Federal	69,805		69,805
Other	21,469		21,469
Inventories	15,054		15,054
Total Current Assets	<u>126,221</u>	<u>73,246</u>	<u>199,467</u>
Noncurrent Assets:			
Equipment	661,159	64,721	725,880
Less Accumulated Depreciation	<u>(566,347)</u>		<u>(566,347)</u>
Total Noncurrent Assets	<u>94,812</u>	<u>64,721</u>	<u>159,533</u>
Total Assets	<u>221,033</u>	<u>137,967</u>	<u>359,000</u>
LIABILITIES:			
Current Liabilities:			
Interfund Payable	191,669		191,669
Compensated Absences Payable	<u>7,195</u>		<u>7,195</u>
Total Current Liabilities	<u>198,864</u>	<u>-</u>	<u>198,864</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>13,085</u>		<u>13,085</u>
Total Liabilities	<u>211,949</u>	<u>-</u>	<u>211,949</u>
NET POSITION:			
Net Investment In Capital Assets	94,812	64,721	159,533
Unrestricted (Deficit)	<u>(85,728)</u>	<u>73,246</u>	<u>(12,482)</u>
Total Net Position	<u>\$ 9,084</u>	<u>\$ 137,967</u>	<u>\$ 147,051</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Funds
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 292,645		\$ 292,645
Daily Sales - Non-Reimbursable Programs	126,484		126,484
Community Service Activities		\$ 414,249	414,249
Miscellaneous		2,225	2,225
Total Operating Revenues	<u>419,129</u>	<u>416,474</u>	<u>835,603</u>
OPERATING EXPENSES:			
Salaries	473,707	290,629	764,336
Employee Benefits	136,991	52,597	189,588
Supplies and Materials	6,724	18,565	25,289
Cost of Sales - Reimbursable Programs	444,142		444,142
Cost of Sales - Non-Reimbursable Programs	60,725		60,725
Purchased Professional Services	80,000		80,000
Other Purchased Services		3,287	3,287
Office and Uniform Expense	29,024		29,024
Repairs and Maintenance	1,000		1,000
Insurance and Fees	9,011		9,011
Depreciation	15,614		15,614
Total Operating Expenses	<u>1,256,938</u>	<u>365,078</u>	<u>1,622,016</u>
Operating Income (Loss)	<u>(837,809)</u>	<u>51,396</u>	<u>(786,413)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	14,428		14,428
Federal Sources:			
National School Lunch Program	359,421		359,421
School Breakfast Program	108,425		108,425
Seamless Summer Option	173,059		173,059
Healthy Hunger Free Kids Program	11,817		11,817
Special Milk Program	1,391		1,391
After School Snack Program	3,437		3,437
United States Department of Agriculture Commodities	76,005		76,005
Interest and Investment Revenue	1,864		1,864
Total Nonoperating Revenues	<u>749,847</u>	<u>-</u>	<u>749,847</u>
Income (Loss) Before Contributions	<u>(87,962)</u>	<u>51,396</u>	<u>(36,566)</u>
Board Contribution	<u>96,927</u>		<u>96,927</u>
Change in Net Position	8,965	51,396	60,361
Net Position -- July 1	<u>119</u>	<u>86,571</u>	<u>86,690</u>
Net Position -- June 30	<u>\$ 9,084</u>	<u>\$ 137,967</u>	<u>\$ 147,051</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 414,254	\$ 416,474	\$ 830,728
Payments to Employees	(484,704)	(290,629)	(775,333)
Payments for Employee Benefits	(136,991)	(52,597)	(189,588)
Payments to Suppliers	<u>(554,621)</u>	<u>(21,852)</u>	<u>(576,473)</u>
Net Cash Provided by (used for) Operating Activities	<u>(762,062)</u>	<u>51,396</u>	<u>(710,666)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from State and Federal Reimbursements	645,723		645,723
Transfers from Other Funds	<u>96,927</u>		<u>96,927</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>742,650</u>	<u>-</u>	<u>742,650</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets		<u>(64,721)</u>	<u>(64,721)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities		<u>(64,721)</u>	<u>(64,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>1,864</u>		<u>1,864</u>
Net Cash Provided by (used for) Investing Activities	<u>1,864</u>	<u>-</u>	<u>1,864</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,548)	(13,325)	(30,873)
Cash and Cash Equivalents -- July 1	<u>32,918</u>	<u>86,571</u>	<u>119,489</u>
Cash and Cash Equivalents -- June 30	<u>\$ 15,370</u>	<u>\$ 73,246</u>	<u>\$ 88,616</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (837,809)	\$ 51,396	\$ (786,413)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	15,614		15,614
Federal Commodities	76,005		76,005
(Increase) Decrease in Other Current Receivables	(4,875)		(4,875)
Increase (Decrease) in Other Current Liabilities	1,682		1,682
Increase (Decrease) in Compensated Absences Payable	<u>(12,679)</u>		<u>(12,679)</u>
Total Adjustments	<u>75,747</u>	<u>-</u>	<u>75,747</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (762,062)</u>	<u>\$ 51,396</u>	<u>\$ (710,666)</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2020

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 767,008	\$ 71,834	\$ 214,485	\$ 1,475,121
Total Assets	<u>767,008</u>	<u>71,834</u>	<u>\$ 214,485</u>	<u>\$ 1,475,121</u>
LIABILITIES:				
Net Payroll - Summer Salary Payable to Student Groups			\$ 214,485	\$ 1,475,121
Total Liabilities			<u>\$ 214,485</u>	<u>\$ 1,475,121</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Scholarships	<u>\$ 767,008</u>	<u>\$ 71,834</u>		

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	<u>Private-Purposes Trust Funds</u>	
	<u>New Jersey Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 76,525	
Gifts and Contributions		\$ 4,926
Total Contributions	<u>76,525</u>	<u>4,926</u>
Investment Earnings:		
Interest on Investments	<u>10,492</u>	
Net Investment Earnings	<u>10,492</u>	<u>-</u>
Total Additions	<u>87,017</u>	<u>4,926</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	44,253	
Scholarships Awarded		8,700
Total Deductions	<u>44,253</u>	<u>8,700</u>
Change in Net Position	42,764	(3,774)
Net Position -- July 1	<u>724,244</u>	<u>75,608</u>
Net Position -- June 30	<u>\$ 767,008</u>	<u>\$ 71,834</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Deptford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Kindergarten through 12 at the School District's eight schools. The School District has an approximate enrollment at June 30, 2020 of 4,138.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)*****General Fund (Cont'd)***

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

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

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating 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. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

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

Child Care Fund - This fund accounts for the financial activity related to providing day care services for School District students before school and after school.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund 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 a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

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

Scholarship Trust Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

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

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020. The School District had no prepaid expenses for the fiscal year ended June 30, 2020.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable or accounts payable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District maintains a capitalization threshold of \$2,000. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business Type Activities Estimated Lives</u>
Site Improvements	10-20 years	N/A
Buildings and Improvements	20-50 years	N/A
Equipment	5-15 years	15 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2020, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

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, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

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

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

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

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

Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

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

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

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.

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 assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2020:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2020, the School District's bank balance of \$10,008,103 was exposed to custodial credit risk as follows:

Insured	\$	250,000
Insured under GUDPA		6,248,322
Uninsured/Uncollateralized		<u>3,509,781</u>
	\$	<u>10,008,103</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2020, the School District's deposits with the New Jersey Cash Management Fund were \$1,659,178.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1 on October 3, 2006 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-14.1(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		\$ 1,159,338
Increased by:		
Transfer per June 2, 2020 resolution	\$ 1,500,000	
Interest Earnings	<u>4,000</u>	
		<u>1,504,000</u>
Ending Balance, June 30, 2020		<u>\$ 2,663,338</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2020 is \$37,616,857.

Note 4: ACCOUNTS RECEIVABLES

Accounts receivable at June 30, 2020 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. All receivables are considered collectible.

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

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 178,160	\$ 178,160	\$ 69,805	\$ 69,805	\$ 247,965
State Awards	\$ 685,699		685,699	4,523	4,523	690,222
Other	169,129		169,129	21,469	21,469	190,598
Total	<u>\$ 854,828</u>	<u>\$ 178,160</u>	<u>\$ 1,032,988</u>	<u>\$ 95,797</u>	<u>\$ 95,797</u>	<u>\$ 1,128,785</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2020 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$	8,565
Supplies		<u>6,489</u>
	\$	<u>15,054</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>
Government Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 210,136			\$ 210,136
Construction in Progress		\$ 352,512		352,512
Total Capital Assets not being Depreciated	<u>210,136</u>	<u>352,512</u>		<u>562,648</u>
Capital Assets, being Depreciated				
Site Improvements	1,510,494	9,600		1,520,094
Building and Improvements	49,832,358	249,889	\$ (172,718)	49,909,529
Equipment	16,269,356	674,196	(222,104)	16,721,448
Total Capital Assets, being Depreciated	<u>67,612,208</u>	<u>933,685</u>	<u>(394,822)</u>	<u>68,151,071</u>
Less Accumulated Depreciation for:				
Site Improvements	(921,787)	(66,684)		(988,471)
Building and Improvements	(32,686,871)	(1,476,153)	24,503	(34,138,521)
Equipment	(10,135,652)	(890,925)	186,981	(10,839,596)
Total Accumulated Depreciation	<u>(43,744,310)</u>	<u>(2,433,762)</u>	<u>211,484</u>	<u>(45,966,588)</u>
Total Capital Assets being Depreciated, net	<u>23,867,898</u>	<u>(1,500,077)</u>	<u>(183,338)</u>	<u>22,184,483</u>
Government Activities Capital Assets, net	<u>\$ 24,078,034</u>	<u>\$ (1,147,565)</u>	<u>\$ (183,338)</u>	<u>\$ 22,747,131</u>
Business-Type Activities:				
Capital Assets, being Depreciated				
Equipment	\$ 661,159	\$ 64,721		\$ 725,880
Less Accumulated Depreciation	(550,733)	(15,614)		(566,347)
Total Business-Type Activities Capital Assets, net	<u>\$ 110,426</u>	<u>\$ 49,107</u>	<u>\$ -</u>	<u>\$ 159,533</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Instruction	\$ 1,583,923
Student & Instruction Related Services	379,722
Plant Operations and Maintenance	294,871
School Administrative Services	<u>175,246</u>
Total Depreciation – Governmental Activities	<u>\$ 2,433,762</u>
Business-Type Activities:	
Food Service	<u>\$ 15,614</u>
Total Depreciation – Business-Type Activities	<u>\$ 15,614</u>

Note 7: LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 3,840,000		\$ (1,265,000)	\$ 2,575,000	\$ 1,290,000
Unamortized Cost of Premium on Bonds	<u>85,180</u>		<u>(30,974)</u>	<u>54,206</u>	
Other Liabilities:					
Net Pension Liability	28,163,905	\$ 15,999,811	(19,660,624)	24,503,092	
Obligations under Capital Lease	93,660		(93,660)		
Compensated Absences	<u>1,541,652</u>	<u>530,492</u>	<u>(457,907)</u>	<u>1,614,237</u>	<u>203,749</u>
Total Other Liabilities	<u>29,799,217</u>	<u>16,530,303</u>	<u>(20,212,191)</u>	<u>26,117,329</u>	<u>203,749</u>
Governmental Activities Long-term Liabilities	<u>\$ 33,724,397</u>	<u>\$ 16,530,303</u>	<u>\$ (21,508,165)</u>	<u>\$ 28,746,535</u>	<u>\$ 1,493,749</u>

Note 7: LONG-TERM LIABILITIES (CONT'D)

The bonds payable are liquidated by the debt service fund, while the compensated absences, obligations under capital lease and net pension liability are liquidated by the general fund.

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

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Compensated Absences	\$ 32,959	\$ 7,195	\$ (19,874)	\$ 20,280	\$ 7,195

Compensated absences are liquidated by the food service fund.

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

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2016	\$ 7,490,000	2021 to 2022	2.0-3.0%	\$ 2,575,000

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,290,000	\$ 51,500	\$ 1,341,500
2022	1,285,000	25,700	1,310,700
	<u>\$ 2,575,000</u>	<u>\$ 77,200</u>	<u>\$ 2,652,200</u>

Bonds Authorized But Not Issued - As of June 30, 2020, the School District had authorizations to issue additional bonded debt. In July 2020, bonds were issued in the amount of \$37,616,000.

Obligation under Capital Lease - The School District is leasing bus equipment totaling \$747,549 under a capital lease. The capital lease is for a term of three to five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets. As of June 30, 2020, the School District did not have any outstanding capital leases.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to Note 13 for a description of the School District's Policy.

Net Pension Liability - For details on the net pension liability, refer to Note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2020, the School District had operating lease agreements in effect for buses, infrastructure, and copiers. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2021	\$	340,087
2022		340,087
2023		<u>247,911</u>
	\$	<u>928,085</u>

Rental payments under operating leases for the fiscal year ended June 30, 2020 were \$420,088.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS Board of Trustees is primarily responsible for the administration of the Plan.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - 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:

Tier Definition

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)****Public Employees' Retirement System (Cont'd)**

The membership tiers for PERS are the same as previously noted for TPAF.

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

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 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.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 17.86% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$5,451,220, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$2,298,347.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 14.77% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$1,322,769, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$703,688.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2020, employee contributions totaled \$126,113, and the School District recognized pension expense, which equaled the required contributions, of \$92,901. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

School Districts Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>166,387,884</u>
	<u>\$ 166,387,884</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)****Pension Liability (Cont'd)**

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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. For the June 30, 2019 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2019 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.2711183391%, which was a decrease of 0.0093177662% from its proportion measured as of June 30, 2018.

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized \$9,814,002 in 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 plan's June 30, 2019 measurement date.

Public Employees' Retirement System

Pension Liability - At June 30, 2020, the School District reported a liability of \$24,503,092 for its proportionate share of the net pension liability for PERS. 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the School District's proportion was 0.1359886509%, which was a decrease of 0.0070515637% from its proportion measured as of June 30, 2018.

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized pension expense of \$1,438,561, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2019 measurement date.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources - 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	\$ 439,798	\$ 108,244
Changes of Assumptions	2,446,724	8,504,946
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	386,791
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contribution	1,208,203	2,171,738
School District Contributions Subsequent to the Measurement Date	<u>1,378,523</u>	<u>-</u>
	<u>\$ 5,473,248</u>	<u>\$ 11,171,719</u>

Deferred outflows of resources in the amount of \$1,378,523 will be included as a reduction of the net pension liability in the subsequent fiscal year, 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:

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2021	\$ (582,974)
2022	(2,440,228)
2023	(2,468,755)
2024	(1,421,838)
2025	<u>(163,199)</u>
	<u>\$ (7,076,994)</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows 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 School District Contributions and Proportionate Share		
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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2018. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55% - 4.15% Based on Yrs of Service	2.00% - 6.00% Based on Yrs of Service
Thereafter	2.75% - 5.65% Based on Yrs of Service	3.00% - 7.00% Based on Yrs of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2015- June 30, 2018	July 1, 2014 – June 30, 2018

For TPAF, 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.

For PERS, 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.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2019 measurement date) 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.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<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 -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of the June 30, 2019 measurement date based on 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. 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 would be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members 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.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of the June 30, 2019 measurement date based on 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. 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 would be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members 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.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2019 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.60% as well as what the State's net pension 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:

	TPAF		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	196,208,142	166,387,884	141,646,486
	<u>\$ 196,208,142</u>	<u>166,387,884</u>	<u>\$ 141,646,486</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a 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% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 31,166,706</u>	<u>\$ 24,503,092</u>	<u>\$ 19,202,151</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, 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 OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") 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 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.

Employees Covered by Benefit Terms - At June 30, 2019, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	<u>-</u>
	<u>364,943</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020 was \$129,244,675. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .3097232715%, which was a decrease of 0.0072500611% from its proportion measured as of June 30, 2018.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases –

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Through 2026	1.55% -3.05%	2.00% -6.00%	3.25% -15.25%
Thereafter	1.55% -3.05%	3.00% -7.00%	3.25% -15.25%

Based on years of service

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Experience Studies - 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.

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.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2019		\$ 146,159,044
Changes for the Year:		
Service Cost	\$ 5,649,112	
Interest Cost	5,801,189	
Difference Between Expected and Actual Experience	(26,441,899)	
Changes in Assumptions	1,927,049	
Gross Benefit Payments	(3,967,426)	
Member Contributions	<u>117,606</u>	
Net Changes		<u>(16,914,369)</u>
Balance at June 30, 2020		<u>\$ 129,244,675</u>

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims, and premiums experience.

Changes of assumptions reflect a decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability associated with the School District	<u>\$ 152,689,035</u>	<u>\$ 129,244,675</u>	<u>\$ 110,621,760</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 106,491,851</u>	<u>\$ 129,244,675</u>	<u>\$ 159,364,741</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2020, the School District recognized \$2,953,909 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2020, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ 205,652	\$ 4,079,029
Difference Between Expected and Actual Experience	-	32,474,378
Changes of Assumptions	<u>-</u>	<u>26,269,270</u>
	<u>\$ 205,652</u>	<u>\$ 62,822,677</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)**

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	\$ (8,356,285)
2022	(8,356,285)
2023	(8,356,285)
2024	(8,356,285)
2025	(8,356,285)
Thereafter	<u>(20,835,600)</u>
	<u>\$ (62,617,025)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$5,617,025, \$100,679, \$2,121,163, and \$3,725, respectively.

Note 12: DEFERRED COMPENSATION

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

Retirement Annuity Consultants	Equitable Life Assurance Society
Lincoln Investment Planning Inc.	Fidelity Investments
Paul Revere Tax Shelter	Valic
American United Life	AIG

Note 13: COMPENSATED ABSENCES

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

Note 13: COMPENSATED ABSENCES (CONT'D)

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees, with the exception of instructional paraprofessionals, are entitled to three personal days which may be carried forward to subsequent years. Instructional paraprofessionals are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' unit agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2020 the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,614,237 and \$20,280, respectively.

Note 14: INTERFUND BALANCES AND TRANSFERS

Interfunds – The composition of interfund balances as of June 30, 2020 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 781,426	
Special Revenue		\$ 589,757
Proprietary		191,669
	<u>\$ 781,426</u>	<u>\$ 781,426</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2021, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers:

<u>Transfer Out:</u>	<u>Transfer in:</u>
	<u>Enterprise Fund</u>
General Fund	<u>\$ 96,927</u>
Total Transfers	<u>\$ 96,927</u>

The principal purpose of the fund transfer made during the fiscal year was to fund operating expenses for the food service fund.

Note 15: CONTINGENCIES

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

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$739,996 in the general fund and \$66,184 in the special revenue fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$806,180 is less than the June state aid payments.

The School District had an accumulated deficit of \$27,122 in the capital projects fund as of June 30, 2020. This deficit is the result of the School District utilizing temporary financing to fund expenditures for certain capital projects. As the School District permanently finances these appropriations, the School District will realize as revenues the proceeds of the financing. This deficit does not indicate that the School District is facing financial difficulties and is a permitted practice under accounting principles generally accepted in the United States of America.

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund 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 is \$2,182,881. Additionally, \$1,864,301 of excess fund balance generated during 2019-2020 has been restricted and designated for utilization in the 2020-2021 budget.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$285,939 of general fund balance at June 30, 2020.

Other Purposes - As of June 30, 2020, the School District had \$1,226,143 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2020, \$739,996 of general fund balance (deficit) was unassigned.

Special Revenue Fund - As of June 30, 2020, the fund balance of the special revenue fund was a deficit of \$66,184, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$66,184 is the same amount as the last state aid payment.

Capital Projects Fund - As of June 30, 2020, the fund balance of the capital projects fund was a deficit of \$27,122.

Note 19: SUBSEQUENT EVENTS

COVID-19 – On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase of exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 43,045,120		\$ 43,045,120	\$ 43,045,120	
Tuition - LEAs w/in state	375,000		375,000	267,685	\$ (107,315)
Interest	-	\$ 80,000	80,000	116,323	36,323
Interest on cap reserve	4,000	-	4,000		(4,000)
Bus Advertisement		4,000	4,000		(4,000)
Miscellaneous	184,000	(84,000)	100,000	118,646	18,646
Total - Local Sources	43,608,120	-	43,608,120	43,547,774	(60,346)
State Sources:					
Equalization Aid	21,524,670	-	21,524,670	21,524,670	
Nonpublic Transportation Aid		-		5,309	5,309
Extraordinary Aid	300,000	-	300,000	648,465	348,465
Categorical Special Education Aid	2,328,005	-	2,328,005	2,328,005	
Categorical Security Aid	483,815	-	483,815	483,815	
Homeless Aid	50,000	-	50,000	39,973	(10,027)
Categorical Transportation Aid	1,711,578	-	1,711,578	1,711,578	
School Choice Aid	131,763	-	131,763	131,763	
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)		-		5,617,025	5,617,025
On-Behalf T.P.A.F. Non-contributory Insurance (non-budgeted)		-		100,679	100,679
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)		-		3,725	3,725
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)		-		2,121,163	2,121,163
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		2,206,492	2,206,492
Total - State Sources	26,529,831	-	26,529,831	36,922,662	10,392,831
Federal Sources:					
Medicaid Reimbursement	101,638		101,638	101,669	31
Total - Federal Sources	101,638	-	101,638	101,669	31
Total Revenues	70,239,589	-	70,239,589	80,572,105	10,332,516

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,338,000		\$ 1,338,000	\$ 1,335,339	\$ 2,661
Grades 1-5	8,545,000	\$ (132,000)	8,413,000	8,376,740	36,260
Grades 6-8	4,745,000	(135,837)	4,609,163	4,569,951	39,212
Grades 9-12	6,028,000	(23,760)	6,004,240	5,918,787	85,453
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000	-	85,000	46,332	38,668
Purchased Services	50,000	-	50,000	26,155	23,845
Regular Programs - Undistributed Instruction:					
Purchased Professional / Educational Services	612,298	400	612,698	410,789	201,909
Purchased Technical Services	220,600	-	220,600	211,723	8,877
Rentals		315,000	315,000	264,788	50,212
Other Purchased Services	370,790	(325,380)	45,410	44,767	643
Travel		4,394	4,394	1,020	3,374
General Supplies	843,477	(52,093)	791,384	700,244	91,140
Textbooks	93,020	(2,052)	90,968	90,522	446
Other Objects	4,500	(3,000)	1,500	1,235	265
Total Regular Programs	<u>22,935,685</u>	<u>(354,328)</u>	<u>22,581,357</u>	<u>21,998,392</u>	<u>582,965</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	1,558,000	-	1,558,000	1,549,799	8,201
Other Salaries for Instruction	665,000	(17,226)	647,774	640,752	7,022
General Supplies	7,880	(107)	7,773	6,579	1,194
Total Learning and Language Disabled	<u>2,230,880</u>	<u>(17,333)</u>	<u>2,213,547</u>	<u>2,197,130</u>	<u>16,417</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 347,000	\$ (5,941)	\$ 341,059	\$ 326,383	\$ 14,676
Other Salaries for Instruction	285,000	(12,000)	273,000	272,135	865
General Supplies	4,100	(227)	3,873	2,923	950
Total Behavioral Disabilities	636,100	(18,168)	617,932	601,441	16,491
Multiple Disabilities:					
Salaries of Teachers	669,000	(59)	668,941	668,568	373
Other Salaries for Instruction	630,000	(1,376)	628,624	628,624	-
General Supplies	8,800	(4,800)	4,000	6,448	(2,448)
Other Objects	1,500	1,300	2,800	-	2,800
Total Multiple Disabilities	1,309,300	(4,935)	1,304,365	1,303,640	725
Autism:					
Salaries of Teachers	335,500	1,307	336,807	328,618	8,189
Other Salaires for Instruction	500,000	(55,000)	445,000	441,367	3,633
General Supplies	16,600	-	16,600	11,812	4,788
Total Autism	852,100	(53,693)	798,407	781,797	16,610
Preschool Disabilities - Part Time:					
Salaries of Teachers	230,000	30,000	260,000	259,421	579
Other Salaries for Instruction	275,000	(59,000)	216,000	215,199	801
General Supplies	2,500	-	2,500	1,482	1,018
Total Preschool Disabilities - Part Time	507,500	(29,000)	478,500	476,102	2,398
Total Special Education - Instruction	5,535,880	(123,128)	5,412,752	5,360,110	52,642
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	665,000	(44,000)	621,000	620,857	143
Total Basic Skills / Remedial - Instruction	665,000	(44,000)	621,000	620,857	143

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 280,500		\$ 280,500	\$ 279,385	\$ 1,115
Total Bilingual Education - Instruction	280,500	-	280,500	279,385	1,115
School Sponsored Cocurricular Activities - Instruction:					
Salaries	217,000	\$ (47,000)	170,000	146,252	23,748
Salaries of Teachers		47,000	47,000	36,308	10,692
General Supplies	25,500	-	25,500	18,940	6,560
Other Objects	10,800	-	10,800	6,096	4,704
Total School Sponsored Cocurricular Activities - Instruction	253,300	-	253,300	207,596	45,704
School Sponsored Athletics - Instruction:					
Salaries	630,000	-	630,000	626,963	3,037
Purchased Services	51,500	-	51,500	16,271	35,229
General Supplies	54,800	279	55,079	35,773	19,306
Other Objects	38,500	585	39,085	34,456	4,629
Total School Sponsored Athletics - Instruction	774,800	864	775,664	713,463	62,201
Total Instruction	30,445,165	(520,592)	29,924,573	29,179,803	744,770

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 75,000		\$ 75,000	\$ 68,135	\$ 6,865
Tuition to Other LEA's Within State - Special	215,800		215,800	157,849	57,951
Tuition to County Voc. School Dist. - Regular	612,000		612,000	595,102	16,898
Tuition to CSSD & Reg. Day Schools	3,091,087	\$ (256,276)	2,834,811	2,511,493	323,318
Tuition to Private Schools for the Disabled - Within State	1,542,113	229	1,542,342	1,497,263	45,079
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	228,903	(1,283)	227,620	220,195	7,425
Tuition - State Facilities	39,872		39,872	39,872	
Total Undistributed Expenditures - Instruction	5,804,775	(257,330)	5,547,445	5,089,909	457,536
Attendance and Social Work Services:					
Salaries	155,000	700	155,700	155,672	28
Total Attendance and Social Work Services	155,000	700	155,700	155,672	28
Undistributed Expenditures - Health Services:					
Salaries	595,500	(25,175)	570,325	568,843	1,482
Other Salaries		35,000	35,000	33,840	1,160
Purchased Professional and Technical Services	28,000	(974)	27,026	26,480	546
Supplies and Materials	15,248	2,113	17,361	16,933	428
Other Objects	1,750	(1,139)	611	611	-
Total Undistributed Expenditures - Health Services	640,498	9,825	650,323	646,707	3,616
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	650,000	(30,000)	620,000	614,079	5,921
Purchased Professional - Educational Services	175,095		175,095	156,195	18,900
Supplies and Materials	13,300		13,300	10,595	2,705
Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services	838,395	(30,000)	808,395	780,869	27,526

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Other Support Services - Students - Extraordinary:					
Other Salaries from Instruction	\$ 700,000	\$ 527,078	\$ 1,227,078	\$ 1,227,078	
Purchased Professional - Educational Services	395,685	(119,812)	275,873	226,866	\$ 49,007
Supplies and Materials	7,677	(4,000)	3,677	3,610	67
	<u>1,103,362</u>	<u>403,266</u>	<u>1,506,628</u>	<u>1,457,554</u>	<u>49,074</u>
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary					
Undistributed Expenditures - Other Support Services - Guidance:					
Salaries of Other Professional Staff	1,134,000	32,000	1,166,000	1,165,980	20
Salaries of Secretarial and Clerical Assistants	86,500	1,100	87,600	87,584	16
Supplies and Materials	13,250	(3,340)	9,910	8,197	1,713
Other Objects	400	\$100	500	300	200
	<u>1,234,150</u>	<u>29,860</u>	<u>1,264,010</u>	<u>1,262,061</u>	<u>1,949</u>
Total Undistributed Expenditures - Other Support Services - Guidance					
Undistributed Expenditures - Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	1,088,250	9,878	1,098,128	1,098,128	
Salaries of Secretarial and Clerical Assistants	103,500	4,600	108,100	108,096	4
Other Salaries	257,100	(37,100)	220,000	212,799	7,201
Other Professional/Tech Services	115,000	(50,356)	64,644	47,566	17,078
Travel	4,500	(2,000)	2,500	1,272	1,228
Supplies and Materials	18,000	(4,000)	14,000	10,492	3,508
	<u>1,586,350</u>	<u>(78,978)</u>	<u>1,507,372</u>	<u>1,478,353</u>	<u>29,019</u>
Total Undistributed Expenditures - Other Support Services - Child Study Teams					
					(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 267,600		\$ 267,600	\$ 267,525	\$ 75
Salaries of Secretarial and Clerical Assistants	40,000		40,000	39,467	533
Other Salaries	91,000	\$ (5,844)	85,156	85,156	-
Total Undistributed Expenditures - Improvement of Instruction Services	<u>398,600</u>	<u>(5,844)</u>	<u>392,756</u>	<u>392,148</u>	<u>608</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	362,000	-	362,000	361,820	180
Salaries of Technology Coordinators	198,000	100	198,100	198,100	-
Purchased Professional and Technical Services	7,300	(5,543)	1,757	1,757	-
Other Purchased Services	9,000	(628)	8,372	8,372	-
Supplies and Materials	17,950	793	18,743	14,573	4,170
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>594,250</u>	<u>(5,278)</u>	<u>588,972</u>	<u>584,622</u>	<u>4,350</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional-Education services	5,862	(1,955)	3,907	3,000	907
Other Purchased Services	17,160	(14,700)	2,460	299	2,161
Total Undistributed Expenditures - Instructional Staff Training Services	<u>23,022</u>	<u>(16,655)</u>	<u>6,367</u>	<u>3,299</u>	<u>3,068</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 358,500	\$ (358,500)	\$ 248,000	\$ 248,000	
Salaries of Other Professional Staff		248,000	133,000	133,000	
Salaries of Secretarial and Clerical Assistance		133,000			
Legal Services	100,000	-	100,000	77,252	\$ 22,748
Audit Fees	40,000	(50)	39,950	39,950	-
Architect/Engineer Fees	10,000	10,921	20,921	375	20,546
Other Purchased Professional Services	4,500	(310)	4,190	4,190	-
Communications / Telephone	225,000	-	225,000	189,050	35,950
BOE Other Purch. Serv	8,500	(7,030)	1,470	1,470	-
Misc Other Purchased Services	83,000	(1,617)	81,383	79,009	2,374
General Supplies	10,000	-	10,000	4,834	5,166
Miscellaneous Expenditures	5,000	(1,552)	3,448	3,395	53
BOE Membership Dues and Fees	25,000	(362)	24,638	24,638	-
Total Undistributed Expenditures - Support Services - General Admin	869,500	22,500.21	892,000	805,216	86,784
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals / Program Directors	1,604,500	-	1,604,500	1,527,066	77,434
Salaries of Secretarial and Clerical Assistants	702,500	-	702,500	680,048	22,452
Other Purchased Services (400-500 series)	5,000	-	5,000		5,000
Supplies and Materials	13,439	-	13,439	9,482	3,957
Other Objects	33,825	-	33,825	25,965	7,860
Total Undistributed Expenditures - Support Services - School Admin.	2,359,264	-	2,359,264	2,242,561	116,703

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Central Services:					
Salaries	\$ 473,000	\$ (473,000)			
Salaries of Other Professional Staff		223,000	\$ 223,000	\$ 134,400	\$ 88,600
Salaries of Secreterial and Clerical Assistants		250,000	250,000	238,854	11,146
Purchased Technical Services	17,000	-	17,000	16,405	595
Travel		750	750	47	703
Miscellaneous Purchased Services	39,750	(750)	39,000	36,612	2,388
Supplies and Materials	10,000	368	10,368	5,380	4,988
Miscellaneous Expenditures	9,000	-	9,000	8,052	948
Total Undistributed Expenditures - Central Services	548,750	368	549,118	439,750	109,368
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	301,500	(301,500)			
Salaries of Other Professional Staff	-	176,500	176,500	173,000	3,500
Salaries of Secreterial and Clerical Assistants		125,000	125,000	122,845	2,155
Purchased Technical Services	246,010		246,010	234,580	11,430
Other Purchased Services	8,750		8,750	4,816	3,934
Supplies and Materials	21,300	66	21,366	10,913	10,453
Total Undistributed Expenditures - Admin. Info. Technology	577,560	66	577,626	546,154	31,472
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Salaries	626,000	-	626,000	617,244	8,756
Cleaning, Repair and Maintenance Services	179,000	18,433	197,433	152,998	44,435
General Supplies	170,000	(68,248)	101,752	60,764	40,988
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	975,000	(49,815)	925,185	831,006	94,179

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Operation and Maintenance:					
of Plant Services:					
Salaries	\$ 2,170,000	\$ (2,170,000)			
Salaries of Other Professional Staff		66,000	\$ 66,000	\$ 63,500	\$ 2,500
Salaries of Secreterial and Clerical Assistants		40,000	40,000	39,099	901
Salaries of Non-Instructional Aides	350,000	(24,314)	325,686	323,336	2,350
Other Salaries		1,979,314	1,979,314	1,963,998	15,316
Unused Vacation Payout		1,000	1,000	876	124
Cleaning, Repair and Maintenance Services	200,000	(72,728)	127,273	117,660	9,613
Other Purchased Property Services	80,000	5,000	85,000	84,546	454
Insurance	275,000	(7,000)	268,000	267,281	719
General Supplies	175,000	1,428	176,428	151,519	24,909
Energy (Natural Gas)	300,000	-	300,000	281,147	18,853
Energy (Electricity)	825,000	118,000	943,000	923,541	19,459
Other Objects	6,500	(4,000)	2,500	2,010	490
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>4,381,500</u>	<u>(67,299)</u>	<u>4,314,201</u>	<u>4,218,513</u>	<u>95,688</u>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	273,000	(10,000)	263,000	256,459	6,541
Cleaning, Repair, and Maintenance Services	15,000	(7,000)	8,000	6,466	1,534
General Supplies	65,000	(22,000)	43,000	39,398	3,602
Total Undistributed Expenditures - Care & Upkeep Grounds	<u>353,000</u>	<u>(39,000)</u>	<u>314,000</u>	<u>302,323</u>	<u>11,677</u>
Undistributed Expenditures - Security Services:					
Security Salaries	60,000	-	60,000	60,000	-
Cleaning, Repair, and Maintenance Services	20,000	-	20,000	17,544	2,456
General Supplies	30,000	(25,000)	5,000	2,871	2,129
Total Undistributed Expenditures - Security Services	<u>110,000</u>	<u>(25,000)</u>	<u>85,000</u>	<u>80,415</u>	<u>4,585</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Student Transportation Services:					
Salaries of Other Professional Staff		\$ 50,000	\$ 50,000	\$ 50,000	
Salaries of Secreterial and Clerical Assistants		88,000	88,000	87,552	\$ 448
Salaries for Non-Instructional Aides	\$ 557,000	(57,000)	500,000	488,968	11,032
Salaries Mechanics		154,000	154,000	153,909	91
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,130,000	(18,000)	1,112,000	1,034,689	77,311
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	525,000	(135,000)	390,000	376,363	13,637
Sal for Pupil Trans (Other than Bet. Home & Sch)	120,000	(68,000)	52,000	42,414	9,586
Other Purchased Prof and Tech Services	20,000	-	20,000	8,639	11,361
Cleaning, Repair and Maintenance Services	85,000	(40,000)	45,000	37,307	7,693
Lease Purchase Payments	155,300	-	155,300	155,300	-
Contracted Services - Aid in Lieu of Payments - NonPub Sch	190,000	(40,000)	150,000	122,602	27,398
Contracted Services - (Between Home and School) - Vendors	95,000	(85,000)	10,000	1,300	8,700
Contracted Services - (Other than Bet Home & Sch) - Vendors	20,000	(20,000)	-	-	-
Contracted Services - (Special Education) - Joint Agreement	450,000	(100,000)	350,000	198,038	151,962
Miscellaneous Purchased Services - Transportation	41,500	(1,554)	39,946	39,946	-
Transportation Supplies	280,000	(26,970)	253,030	182,905	70,125
Other Objects	22,500	(22,500)	-	-	-
Interest Payments		12,816	12,816	12,816	-
Miscellaneous Expenditures		12,238	12,238	9,025	3,213
Total Undistributed Expenditures - Student Transportation Services	<u>3,691,300</u>	<u>(296,970)</u>	<u>3,394,330</u>	<u>3,001,773</u>	<u>392,557</u>
					(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 980,000		\$ 980,000	\$ 965,342	\$ 14,658
Other Retirement Contributions - PERS	1,450,000	\$ (23,000)	1,427,000	1,402,860	24,140
Other Retirement (DCRP Expense)	70,000	24,067	94,067	91,475	2,592
Unemployment Compensation	25,000	-	25,000	-	25,000
Workman's Compensation	433,000	-	433,000	422,379	10,621
Health Benefits	9,640,000	(7,147)	9,632,853	8,547,131	1,085,722
Tuition Reimbursement	25,000	-	25,000	23,397	1,603
Other Employee Benefits	20,000	-	20,000	10,784	9,216
Sick Time Payout Normal Retiree	200,000	7,147	207,147	207,147	-
Total Unallocated Benefits	12,843,000	1,067	12,844,067	11,670,515	1,173,552
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				5,617,025	(5,617,025)
On-behalf T.P.A.F. Non contributory Insurance (non-budgeted)				100,679	(100,679)
On-behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				3,725	(3,725)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,121,163	(2,121,163)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,206,492	(2,206,492)
Total On-behalf Contributions	-	-	-	10,049,084	(10,049,084)
Total Undistributed Expenditures	39,087,276	(404,517)	38,682,759	46,038,504	(7,355,746)
Total Current Expense	69,532,441	(925,109)	68,607,332	75,218,307	(6,610,975)

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay:					
Interest Deposit to Capital Reserve	\$ 4,000	\$ (4,000)			
Equipment:					
Grades 9-12	10,000	15,408	\$ 25,408	\$ 25,408	
Athletic		92,650	92,650	7,650	\$ 85,000
Special Education - Cognitive Mod		23,332	23,332	23,332	-
Undistributed Expenditures:					
Required Maint for School Fac.	66,000	(66,000)		-	-
Grounds	40,000	56,207	96,207	79,053	17,154
Security Equipment	-	236,276	236,276	-	236,276
Non-Instructional Transportation	-	43,616	43,616	6,650	36,966
School Buses- Regular	405,000	733,754	1,138,754	538,754	600,000
School Buses- Special	150,000	(150,000)		-	-
	<u>671,000</u>	<u>985,243</u>	<u>1,656,243</u>	<u>680,847</u>	<u>975,396</u>
Total Equipment					(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Facilities Acquisition and Construction Services:					
Legal Services	\$ 5,000	\$ (5,000)			
Architectural/Engineering Services	8,718	8,323	\$ 17,041	\$ 17,041	
Construction Services	590,000	6,276	596,276	547,280	\$ 48,996
Assesment for Debt Service on SDA Funding	147,841	-	147,841	147,841	-
Total Facilities Acquisition and Construction Services	751,559	9,599	761,158	712,162	48,996
Total Capital Outlay	1,426,559	990,842	2,417,401	1,393,009	1,024,392
Other Special Schools - Instruction:					
Salaries of Teachers	22,000	(5,000)	17,000		17,000
Other Salaries for Instruction	9,000	-	9,000		9,000
General Supplies	-	5,000	5,000	5,000	-
Total Other Special Schools - Instruction	31,000	-	31,000	5,000	26,000
Other Special Schools - Support Services:					
Salaries	31,000	(9,000)	22,000		22,000
Salaries of Secreterial and Clerical Assistant		9,000	9,000		9,000
Total Other Special Schools - Support Services	31,000	-	31,000	-	31,000
Total Special Schools	62,000	-	62,000	5,000	57,000
Transfer of Funds to Charter Schools	250,000	(8,172)	241,828	118,797	123,031
Total Expenditures	71,271,000	57,560	71,328,560	76,735,113	(5,406,553)

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,031,411)	\$ (57,560)	\$ (1,088,971)	\$ 3,836,992	\$ 4,925,963
Other Financing Sources (Uses):					
Operating Transfer Out - Food Service Fund Transfer to Cover Deficit	(170,000)	-	(170,000)	(96,927)	\$ 73,073
Total Other Financing Sources (Uses)	(170,000)	-	(170,000)	(96,927)	73,073
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,201,411)	(57,560)	(1,258,971)	3,740,065	4,999,036
Fund Balances, July 1	6,170,032		6,170,032	6,170,032	
Fund Balances, June 30	\$ 4,968,621	\$ (57,560)	\$ 4,911,061	\$ 9,910,097	\$ 4,999,036
Recapitulation:					
Restricted:					
Capital Reserve				\$ 2,663,338	
Excess Surplus				2,182,881	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,864,301	
Assigned:					
Year-End Encumbrances				1,226,143	
Designated for Subsequent Year's Expenditures				285,939	
Unassigned				1,687,495	
				9,910,097	
Reconciliation to Governmental Funds Statements (GAAP):					
Last 19-20 State Aid Payment Not Recognized on GAAP Basis				(2,427,491)	
Fund Balance per Governmental Funds (GAAP)				\$ 7,482,606	

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Grants	_____	\$ 100,000	\$ 100,000	\$ 100,000	_____
Total - Local Sources	_____ -	_____ 100,000	_____ 100,000	_____ 100,000	_____ -
State Sources:					
Preschool Education Aid	\$ 806,983	_____	806,983	806,983	_____
Total - State Sources	_____ 806,983	_____ -	_____ 806,983	_____ 806,983	_____ -
Federal Sources:					
Title I	593,278	45,746	639,024	566,229	\$ (72,795)
Title IIA	9,500	64,841	74,341	66,027	(8,314)
Title III	16,602	9,115	25,717	9,368	(16,349)
Title IV	29,251	20,593	49,844	20,688	(29,156)
I.D.E.I.A., Part B	1,105,522	_____	1,105,522	1,102,867	(2,655)
I.D.E.I.A., Part B, Preschool Incentive	36,411	_____	36,411	36,411	_____
Total - Federal Sources	_____ 1,790,564	_____ 140,295	_____ 1,930,859	_____ 1,801,590	_____ (129,269)
Total Revenues	_____ 2,597,547	_____ 240,295	_____ 2,837,842	_____ 2,708,573	_____ (129,269)

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,054,879	\$ 63,451	\$ 1,118,330	\$ 1,028,080	\$ 90,250
Other Salaries for Instruction	206,000	(2,960)	203,040	203,040	
General Supplies	4,905	11,395	16,300	3,086	13,214
Tuition	<u>1,141,933</u>		<u>1,141,933</u>	<u>1,139,278</u>	<u>2,655</u>
Total Instruction	<u>2,407,717</u>	<u>71,886</u>	<u>2,479,603</u>	<u>2,373,484</u>	<u>106,119</u>
Support Services:					
Personal Services - Employee Benefits	84,983	7,281	92,264	83,264	9,000
Purchased Professional - Educational Services	13,514	55,827	69,341	68,342	999
Other Purchased Services (400-500 series)	84,400		84,400	81,495	2,905
Supplies and Materials	<u>6,933</u>	<u>5,301</u>	<u>12,234</u>	<u>1,988</u>	<u>10,246</u>
Total Support Services	<u>189,830</u>	<u>68,409</u>	<u>258,239</u>	<u>235,089</u>	<u>23,150</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	
Total Facilities Acquisition and Construction Services		<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	
Total Expenditures	<u>2,597,547</u>	<u>240,295</u>	<u>2,837,842</u>	<u>2,708,573</u>	<u>129,269</u>
Total Outflows	<u>2,597,547</u>	<u>240,295</u>	<u>2,837,842</u>	<u>2,708,573</u>	<u>129,269</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2020

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 80,572,105	\$ 2,708,573
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		
Prior Year		615
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense received in July 2019 (GASB 33)	2,331,728	75,991
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense received in July 2020 (GASB 33)	<u>(2,427,491)</u>	<u>(66,184)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 80,476,342</u>	<u>\$ 2,718,995</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 76,735,113	\$ 2,708,573
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		
Prior Year		<u>615</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 76,735,113</u>	<u>\$ 2,709,188</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Seven Plan Years

	Measurement Date Ending June 30,						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1359886509%	0.1430402146%	0.1490986763%	0.1422886451%	0.1357273274%	0.1306388697%	0.1271431943%
School District's Proportionate Share of the Net Pension Liability	\$ 24,503,092	\$ 28,163,905	\$ 34,707,789	\$ 42,141,815	\$ 30,468,065	\$ 24,459,169	\$ 24,299,591
School District's Covered Payroll (Plan Measurement Period)	\$ 10,625,232	\$ 10,953,496	\$ 11,104,628	\$ 10,556,844	\$ 9,323,724	\$ 9,804,780	\$ 9,473,252
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	230.61%	257.12%	312.55%	399.19%	326.78%	249.46%	256.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Seven Fiscal Years

	Fiscal Year Ended June 30,						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,378,523	\$ 1,322,769	\$ 1,422,788	\$ 1,381,240	\$ 1,264,072	\$ 1,166,891	\$ 1,076,968
Contributions in Relation to the Contractually Required Contribution	<u>(1,378,523)</u>	<u>(1,322,769)</u>	<u>(1,422,788)</u>	<u>(1,381,240)</u>	<u>(1,264,072)</u>	<u>(1,166,891)</u>	<u>(1,076,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 9,334,550	\$ 9,220,814	\$ 9,552,482	\$ 9,866,195	\$ 9,815,164	\$ 9,365,869	\$ 8,833,369
Contributions as a Percentage of School District's Covered Payroll	14.77%	14.35%	14.89%	14.00%	12.88%	12.46%	12.19%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Seven Plan Years

	Measurement Date Ending June 30,						
	2019	2018	2017	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>166,387,884</u>	<u>178,407,427</u>	<u>183,982,727</u>	<u>211,608,201</u>	<u>166,634,271</u>	<u>150,528,448</u>	<u>139,598,239</u>
	<u>\$ 166,387,884</u>	<u>\$ 178,407,427</u>	<u>\$ 183,982,727</u>	<u>\$ 211,608,201</u>	<u>\$ 166,634,271</u>	<u>\$ 150,528,448</u>	<u>\$ 139,598,239</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 32,505,624	\$ 34,052,100	\$ 34,083,908	\$ 32,892,216	\$ 31,988,592	\$ 31,137,396	\$ 32,299,932
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%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	511.87%	523.92%	539.79%	643.34%	520.92%	483.43%	432.19%
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%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF DEPTFORD 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 at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017, 4.86% 2018 and 5.60% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2015 - June 30, 2018 experience study. For pre-retirement mortality, 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 was used. For healthy retirees and beneficiaries, 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 was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males, and a 100.3% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2012- June 30, 2015 experience study.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 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 was used. For healthy retirees and beneficiaries, 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 was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Three Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 5,649,112	\$ 6,289,193	\$ 7,584,372
Interest Cost	5,801,189	6,236,729	5,386,251
Difference Between Expected and Actual Experience	(26,441,899)	(15,612,346)	
Changes in Assumptions	1,927,049	(16,772,482)	(22,679,135)
Gross Benefit Payments	(3,967,426)	(3,908,241)	(3,932,723)
Member Contributions	117,606	135,075	144,813
Net Change in Total Non-Employer OPEB Liability	(16,914,369)	(23,632,072)	(13,496,422)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	146,159,044	169,791,116	183,287,538
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 129,244,675</u>	<u>\$ 146,159,044</u>	<u>\$ 169,791,116</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 38,642,227</u>	<u>\$ 37,214,730</u>	<u>\$ 38,630,257</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	334.46%	392.75%	439.53%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2020

Changes of Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Total</u>	<u>Local Grants</u>	<u>Preschool Education Aid</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Total Carried Forward</u>
REVENUES:						
Federal Sources	\$ 1,801,590			\$ 566,229	\$ 66,027	\$ 1,169,334
State Sources	806,983		\$ 806,983			-
Local Sources	100,000	\$ 100,000				-
Total Revenues	<u>\$ 2,708,573</u>	<u>\$ 100,000</u>	<u>\$ 806,983</u>	<u>\$ 566,229</u>	<u>\$ 66,027</u>	<u>\$ 1,169,334</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 1,028,080		\$ 439,679	\$ 564,941	\$ 6,690	\$ 16,770
Other Salaries for Instruction	203,040		203,040			-
General Supplies	3,086					3,086
Tuition	1,139,278					1,139,278
Total Instruction	<u>2,373,484</u>	<u>-</u>	<u>642,719</u>	<u>564,941</u>	<u>6,690</u>	<u>1,159,134</u>
Support Services:						
Personal Services - Employee Benefits	83,264		83,264			-
Purchased Professional - Educational Services	68,342				58,842	9,500
Other Purchased Services (400-500 series)	81,495		81,000		495	-
Supplies and Materials	1,988			1,288		700
Total Support Services	<u>235,089</u>	<u>-</u>	<u>164,264</u>	<u>1,288</u>	<u>59,337</u>	<u>10,200</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment	100,000	\$ 100,000				-
Total Facilities Acquisition and Construction Services	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,708,573</u>	<u>100,000</u>	<u>806,983</u>	<u>566,229</u>	<u>66,027</u>	<u>1,169,334</u>
Total Outflows	<u>2,708,573</u>	<u>100,000</u>	<u>806,983</u>	<u>566,229</u>	<u>66,027</u>	<u>1,169,334</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Total Carried Forward</u>	<u>Title III</u>	<u>Title IV</u>	<u>I.D.E.I.A. Part B Basic</u>	<u>I.D.E.I.A. Part B Preschool</u>
REVENUES:					
Federal Sources	\$ 1,169,334	\$ 9,368	\$ 20,688	\$ 1,102,867	\$ 36,411
State Sources	-				
Local Sources	-				
Total Revenues	<u>\$ 1,169,334</u>	<u>\$ 9,368</u>	<u>\$ 20,688</u>	<u>\$ 1,102,867</u>	<u>\$ 36,411</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 16,770	\$ 1,500	\$ 15,270		
Other Salaries for Instruction	-				
General Supplies	3,086	2,168	918		
Tuition	1,139,278			\$ 1,102,867	\$ 36,411
Total Instruction	<u>1,159,134</u>	<u>3,668</u>	<u>16,188</u>	<u>1,102,867</u>	<u>36,411</u>
Support Services:					
Personal Services - Employee Benefits	-				
Purchased Professional - Educational Services	9,500	5,000	4,500		
Other Purchased Services (400-500 series)	-				
Supplies and Materials	700	700			
Total Support Services	<u>10,200</u>	<u>5,700</u>	<u>4,500</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	-				
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,169,334</u>	<u>9,368</u>	<u>20,688</u>	<u>1,102,867</u>	<u>36,411</u>
Total Outflows	<u>1,169,334</u>	<u>9,368</u>	<u>20,688</u>	<u>1,102,867</u>	<u>36,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction			
Salaries of Teachers	\$ 439,679	\$ 439,679	\$ -
Other Salaries for Instruction	<u>203,040</u>	<u>203,040</u>	<u>-</u>
Total Instruction	<u>642,719</u>	<u>642,719</u>	<u>-</u>
Support services			
Personal Services - Employee Benefits	83,264	83,264	-
Other Purchased Services (400-500 series)	<u>81,000</u>	<u>81,000</u>	<u>-</u>
Total Support Services	<u>164,264</u>	<u>164,264</u>	<u>-</u>
Total Expenditures	<u>\$ 806,983</u>	<u>\$ 806,983</u>	<u>\$ -</u>

Calculation of Budget and Carryover

Total Revised 2019-2020 Preschool Education Aid Allocation	\$ 661,843
Add: Actual ECPA Carryover (June 30, 2019)	151,364
Add: Budgeted Transfer from the General Fund 2019-2020	<u>-</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget	813,207
Less: 2019-2020 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(806,983)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020	6,224
Add: 2019-2020 Unexpended Preschool Education Aid	-
Less: 2019-2020 Commissioner Approved Transfer to General Fund	<u>-</u>
2019-2020 Carryover -- Preschool Education Aid	<u>\$ 6,224</u>
2019-2020 Preschool Education Aid Carryover Budgeted in 2020-2021	<u>\$ -</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 June 30, 2020

<u>Project Title / Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Spartan Improvement Plan	1/28/2020	\$ 27,333	-	\$ 27,333	\$ -
Total		<u>\$ 27,333</u>	<u>-</u>	<u>\$ 27,333</u>	<u>\$ -</u>
Reconciliation to Governmental Fund Statement (GAAP):					
Unexpended Balance as of June 30, 2020					\$ -
SDA Grant Revenue Not Recognized on GAAP Basis					<u> </u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ -</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2020

Revenues and Other Financing Sources		
Interest	\$	211
		211
Total Revenues		211
Expenditures and Other Financing Uses		
Expenditures		
Election		16,513
Purchased Professional and Technical Services		10,820
		27,333
Total Expenditures		27,333
Excess (Deficiency) of Revenues Over (Under) Expenditures		(27,122)
Fund Balance - July 1		-
		-
Fund Balance - June 30	\$	(27,122)
		(27,122)
Reconciliation to Governmental Fund Statement (GAAP):		
Unexpended Balance as of June 30, 2020	\$	(27,122)
SDA Grant Revenue Not Recognized on GAAP Basis		
		(27,122)
Fund Balance per Governmental Funds (GAAP)	\$	(27,122)
		(27,122)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status
 Spartan Improvement Plan
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share	-	\$ 211	\$ 211	211
Total Revenues	<u>-</u>	<u>211</u>	<u>211</u>	<u>211</u>
Expenditures and Other Financing Uses:				
Other Professional Services	-	10,820	10,820	10,820
Other Objects	-	16,513	16,513	16,513
Total Expenditures	<u>-</u>	<u>27,333</u>	<u>27,333</u>	<u>27,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (27,122)</u>	<u>\$ (27,122)</u>	<u>\$ (27,122)</u>
Encumbered			\$ -	
Designated for Subsequent Years Expenditures			-	
			<u>\$ -</u>	
Additional Project Information:				
Project Number	1100-045-20-2000			
Grant Date	N/A			
Bond Authoriation Date	7/16/2020			
Bonds Auhtorized	\$ 37,616,000			
Bonds Issued	\$ 37,616,000			
Original Authorized Cost	\$ 27,333			
Additional Authorized Cost	N/A			
Revised Authorized Cost	N/A			
Percentage Increase over Original Authorized Cost	--			
Percentage Completion	0%			
Original Target Completion Date	8/30/2022			
Revised Target Completion Date	N/A			

PROPRIETARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2020

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 15,370	\$ 73,246	\$ 88,616
Accounts Receivable:			
State	4,523		4,523
Federal	69,805		69,805
Other	21,469		21,469
Inventories	15,054		15,054
Total Current Assets	126,221	73,246	199,467
Noncurrent Assets:			
Equipment	661,159	64,721	725,880
Less Accumulated Depreciation	(566,347)		(566,347)
Total Noncurrent Assets	94,812	64,721	159,533
Total Assets	221,033	137,967	359,000
LIABILITIES:			
Current Liabilities:			
Interfund Payable	191,669		191,669
Compensated Absences Payable	7,195		7,195
Total Current Liabilities	198,864	-	198,864
Noncurrent Liabilities:			
Compensated Absences Payable	13,085		13,085
Total Liabilities	211,949	-	211,949
NET POSITION:			
Net Investment In Capital Assets	94,812	64,721	159,533
Unrestricted (Deficit)	(85,728)	73,246	(12,482)
Total Net Position	\$ 9,084	\$ 137,967	\$ 147,051

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 292,645		\$ 292,645
Daily Sales - Non-Reimbursable Programs	126,484		126,484
Community Service Activities		\$ 414,249	414,249
Miscellaneous		2,225	2,225
Total Operating Revenues	<u>419,129</u>	<u>416,474</u>	<u>835,603</u>
OPERATING EXPENSES:			
Salaries	473,707	290,629	764,336
Employee Benefits	136,991	52,597	189,588
Supplies and Materials	6,724	18,565	25,289
Cost of Sales - Reimbursable Programs	444,142		444,142
Cost of Sales - Non-Reimbursable Programs	60,725		60,725
Purchased Professional Services	80,000		80,000
Other Purchased Services		3,287	3,287
Office and Uniform Expense	29,024		29,024
Repairs and Maintenance	1,000		1,000
Insurance and Fees	9,011		9,011
Depreciation	15,614		15,614
Total Operating Expenses	<u>1,256,938</u>	<u>365,078</u>	<u>1,622,016</u>
Operating Income (Loss)	<u>(837,809)</u>	<u>51,396</u>	<u>(786,413)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	14,428		14,428
Federal Sources:			
National School Lunch Program	359,421		359,421
National School Breakfast Program	108,425		108,425
Seamless Summer Option	173,059		173,059
Healthy Hunger Free Kids Program	11,817		11,817
Special Milk Program	1,391		1,391
After School Snack Program	3,437		3,437
United States Department of Agriculture Commodities	76,005		76,005
Interest and Investment Revenue	1,864		1,864
Total Nonoperating Revenues	<u>749,847</u>		<u>749,847</u>
Income (Loss) Before Contributions	<u>(87,962)</u>	<u>51,396</u>	<u>(36,566)</u>
Board Contribution	<u>96,927</u>		<u>96,927</u>
Change in Net Position	8,965	51,396	60,361
Net Position -- July 1	<u>119</u>	<u>86,571</u>	<u>86,690</u>
Net Position -- June 30	<u>\$ 9,084</u>	<u>\$ 137,967</u>	<u>\$ 147,051</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Food Service	Child Care Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 414,254	\$ 416,474	\$ 830,728
Payments to Employees	(484,704)	(290,629)	(775,333)
Payments for Employee Benefits	(136,991)	(52,597)	(189,588)
Payments to Suppliers	(554,621)	(21,852)	(576,473)
Net Cash Provided by (used for) Operating Activities	(762,062)	51,396	(710,666)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from State and Federal Reimbursements	645,723		645,723
Transfers from Other Funds	96,927		96,927
Net Cash Provided by (used for) Non-Capital Financing Activities	742,650	-	742,650
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets		(64,721)	(64,721)
Net Cash Provided by (used for) Capital and Related Financing Activities	-	(64,721)	(64,721)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	1,864		1,864
Net Cash Provided by (used for) Investing Activities	1,864	-	1,864
Net Increase (Decrease) in Cash and Cash Equivalents	(17,548)	(13,325)	(30,873)
Cash and Cash Equivalents -- July 1	32,918	86,571	119,489
Cash and Cash Equivalents -- June 30	\$ 15,370	\$ 73,246	\$ 88,616
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (837,809)	\$ 51,396	\$ (786,413)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	15,614		15,614
Federal Commodities	76,005		76,005
(Increase) Decrease in Other Current Receivables	(4,875)		(4,875)
Increase (Decrease) in Other Current Liabilities	1,682		1,682
Increase (Decrease) in Compensated Absences Payable	(12,679)		(12,679)
Total Adjustments	75,747	-	75,747
Net Cash Provided by (used for) Operating Activities	\$ (762,062)	\$ 51,396	\$ (710,666)

FIDUCIARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2020

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>		
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:					
Cash and Cash Equivalents	\$ 767,008	\$ 71,834	\$ 214,485	\$ 1,475,121	\$ 2,528,448
Total Assets	<u>767,008</u>	<u>71,834</u>	<u>\$ 214,485</u>	<u>\$ 1,475,121</u>	<u>2,528,448</u>
LIABILITIES:					
Net Payroll - Summer Salary Payable to Student Groups			\$ 214,485	\$ 1,475,121	1,475,121 214,485
Total Liabilities			<u>\$ 214,485</u>	<u>\$ 1,475,121</u>	<u>1,689,606</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Scholarships	<u>767,008</u>	<u>71,834</u>			<u>838,842</u>
Total Net Position	<u>\$ 767,008</u>	<u>\$ 71,834</u>			<u>\$ 2,528,448</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2020

	Private Purpose Trust Funds		
	New Jersey Unemployment Compensation Trust	Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 76,525		\$ 76,525
Gifts and Contributions		\$ 4,926	4,926
Total Contributions	76,525	4,926	81,451
Investment Earnings:			
Interest on Investments	10,492		10,492
Net Investment Earnings	10,492	-	10,492
Total Additions	87,017	4,926	91,943
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	44,253		44,253
Scholarships Awarded		8,700	8,700
Total Deductions	44,253	8,700	52,953
Change in Net Position	42,764	(3,774)	38,990
Net Position -- July 1	724,244	75,608	799,852
Net Position -- June 30	\$ 767,008	\$ 71,834	\$ 838,842

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
Total All Schools	<u>\$ 257,195</u>	<u>\$ 560,881</u>	<u>\$ 603,591</u>	<u>\$ 214,485</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,278,510	\$ 28,285,903	\$ 28,089,292	\$ 1,475,121
Total Assets	<u>\$ 1,278,510</u>	<u>\$ 28,285,903</u>	<u>\$ 28,089,292</u>	<u>\$ 1,475,121</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 1,278,510	\$ 28,285,903	\$ 28,089,292	\$ 1,475,121
Total Liabilities	<u>\$ 1,278,510</u>	<u>\$ 28,285,903</u>	<u>\$ 28,089,292</u>	<u>\$ 1,475,121</u>

LONG-TERM DEBT

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Refunding of Bonds 2016	3/23/16	\$ 7,490,000	2/1/21	\$ 1,290,000	2.000%	\$ 3,840,000		\$ 1,265,000	\$ 2,575,000
			2/1/22	1,285,000	2.000%				
						<u>\$ 3,840,000</u>	<u>\$ -</u>	<u>\$ 1,265,000</u>	<u>\$ 2,575,000</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2020

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2019 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2020 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
School Buses	7/15/15	5 Years	\$ 445,617	\$ 15,205	1.65%	\$ 93,660		\$ 93,660	\$ -
						<u>\$ 93,660</u>	<u>\$ -</u>	<u>\$ 93,660</u>	<u>\$ -</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,343,700	_____	\$ 1,343,700	\$ 1,332,531	\$ (11,169)
Total Revenues	<u>1,343,700</u>	<u>-</u>	<u>1,343,700</u>	<u>1,332,531</u>	<u>(11,169)</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	113,700	_____	113,700	76,800	36,900
Redemption of Principal	1,230,000	_____	1,230,000	1,265,000	(35,000)
Total Regular Debt Service	<u>1,343,700</u>	<u>-</u>	<u>1,343,700</u>	<u>1,341,800</u>	<u>1,900</u>
Total Expenditures	<u>1,343,700</u>	<u>-</u>	<u>1,343,700</u>	<u>1,341,800</u>	<u>1,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		-	-	(9,269)	(9,269)
Fund Balance, July 1		-		9,269	9,269
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in Capital Assets	\$ 20,117,925	\$ 20,059,194	\$ 20,797,614	\$ 20,830,156	\$ 20,818,783	\$ 22,211,278	\$ 22,194,124	\$ 23,411,566	\$ 25,257,886	\$ 24,405,478
Restricted	6,710,520	4,235,777	2,267,461	1,760,961	3,960,362	6,963,929	8,432,412	6,695,420	4,331,416	3,740,418
Unrestricted (Deficit)	<u>(32,532,711)</u>	<u>(33,554,888)</u>	<u>(33,678,702)</u>	<u>(29,934,116)</u>	<u>(27,681,005)</u>	<u>(27,393,758)</u>	<u>(2,904,415)</u>	<u>(1,895,817)</u>	<u>(2,834,474)</u>	<u>(1,415,224)</u>
Total Governmental Activities Net Position	<u>\$ (5,704,266)</u>	<u>\$ (9,259,917)</u>	<u>\$ (10,613,627)</u>	<u>\$ (7,342,999)</u>	<u>\$ (2,901,860)</u>	<u>\$ 1,781,449</u>	<u>\$ 27,722,121</u>	<u>\$ 28,211,169</u>	<u>\$ 26,754,828</u>	<u>\$ 26,730,672</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 159,533	\$ 110,426	\$ 128,969	\$ 154,938	\$ 185,401	\$ 62,923	\$ 80,380	\$ 85,016	\$ 102,054	\$ 125,610
Unrestricted (Deficit)	<u>(12,482)</u>	<u>(23,736)</u>	<u>(102,434)</u>	<u>(142,265)</u>	<u>(179,900)</u>	<u>72,303</u>	<u>82,207</u>	<u>129,837</u>	<u>205,892</u>	<u>253,496</u>
Total Business-type Activities Net Position	<u>\$ 147,051</u>	<u>\$ 86,690</u>	<u>\$ 26,535</u>	<u>\$ 12,673</u>	<u>\$ 5,501</u>	<u>\$ 135,226</u>	<u>\$ 162,587</u>	<u>\$ 214,853</u>	<u>\$ 307,946</u>	<u>\$ 379,106</u>
District-wide										
Net Investment in Capital Assets	\$ 20,277,458	\$ 20,169,620	\$ 20,926,583	\$ 20,985,094	\$ 21,004,184	\$ 22,274,201	\$ 22,274,504	\$ 23,496,582	\$ 25,359,940	\$ 24,531,088
Restricted	6,710,520	4,235,777	2,267,461	1,760,961	3,960,362	6,963,929	8,432,412	6,695,420	4,331,416	3,740,418
Unrestricted (Deficit)	<u>(32,545,193)</u>	<u>(33,578,624)</u>	<u>(33,781,136)</u>	<u>(30,076,381)</u>	<u>(27,860,905)</u>	<u>(27,321,455)</u>	<u>(2,822,208)</u>	<u>(1,765,980)</u>	<u>(2,628,582)</u>	<u>(1,161,728)</u>
Total District-wide Net Position	<u>\$ (5,557,215)</u>	<u>\$ (9,173,227)</u>	<u>\$ (10,587,092)</u>	<u>\$ (7,330,326)</u>	<u>\$ (2,896,359)</u>	<u>\$ 1,916,675</u>	<u>\$ 27,884,708</u>	<u>\$ 28,426,022</u>	<u>\$ 27,062,774</u>	<u>\$ 27,109,778</u>

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 23,268,782	\$ 23,134,604	\$ 24,602,322	\$ 23,716,666	\$ 25,405,080	\$ 24,140,864	\$ 32,376,995	\$ 31,675,773	\$ 28,060,185	\$ 27,640,288
Special Education	6,679,145	4,775,863	4,319,698	4,120,484	4,167,971	3,474,029	3,935,982	3,848,969	7,058,348	6,789,396
Other Special Education	2,123,204	2,219,589	1,849,868	1,855,323	1,741,812	1,637,303	2,080,031	1,500,204	2,016,529	1,712,393
Support Services:										
Tuition	6,229,187	6,294,288	5,380,139	4,719,675	4,576,912	4,757,738	4,239,302	3,556,226	2,747,369	2,082,114
Student & Instruction Related Services	7,526,977	7,337,191	9,112,463	7,725,862	7,641,053	6,801,746	8,918,657	8,799,748	8,747,993	9,572,672
General Administrative Services	805,216	869,150	998,031	940,658	992,939	1,042,134	906,535	787,983	725,628	851,976
School Administrative Services	2,364,291	2,505,491	2,864,260	2,802,716	2,889,437	2,706,266	5,381,720	5,457,106	5,442,270	4,905,768
Central Services	463,620	534,454	482,282	706,133	717,907	662,054				
Administrative Information Technology	575,799	473,243	626,999	881,047	905,070	934,583				
Plant Operations and Maintenance	5,633,468	5,817,965	5,563,732	5,583,065	6,299,320	6,074,793	7,957,213	7,528,412	7,101,480	7,637,548
Pupil Transportation	3,001,773	3,641,837	4,211,604	4,053,915	4,086,791	4,215,472	3,782,617	3,485,828	3,364,561	3,114,680
Unallocated Benefits	26,775,752	37,502,533	39,420,160	36,125,497	26,717,805	16,059,331				
Transfer to Charter School	118,797	219,283	265,233	168,272	139,758	105,349				
Special Schools	5,000	37,743	74,779	84,841	90,554					
Payment of Bond Issue Costs					115,069					
Interest on Long-Term Debt	50,194	86,051	104,909	257,439	416,030	516,141	412,220	746,255	396,350	625,053
Total Governmental Activities Expenses	85,621,205	95,449,286	99,876,479	93,741,593	86,903,508	73,127,803	69,991,272	67,386,504	65,660,713	64,931,888
Business-type Activities:										
Food Service	1,256,938	1,667,155	1,915,691	1,866,457	1,765,038	1,579,611	1,603,260	1,613,236	1,609,515	1,473,976
Childcare Program	365,078	473,079	252,751	131,531						
Total Business-type Activities Expense	1,622,016	2,140,234	2,168,442	1,997,988	1,765,038	1,579,611	1,603,260	1,613,236	1,609,515	1,473,976
Total District Expenses	\$ 87,243,221	\$ 97,589,520	\$ 102,044,921	\$ 95,739,581	\$ 88,668,546	\$ 74,707,414	\$ 71,594,532	\$ 68,999,740	\$ 67,270,228	\$ 66,405,864

(Continued)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 267,685	\$ 387,304	\$ 584,016	\$ 813,490	\$ 452,379	\$ 322,655	\$ 426,709	\$ 487,238	\$ 186,390	\$ 78,651
Operating Grants and Contributions	<u>7,648,039</u>	<u>17,443,709</u>	<u>20,564,214</u>	<u>2,890,355</u>	<u>2,993,455</u>	<u>2,735,627</u>	<u>2,760,137</u>	<u>3,349,999</u>	<u>3,018,861</u>	<u>3,746,908</u>
Total Governmental Activities Program Revenues	<u>7,915,724</u>	<u>17,831,013</u>	<u>21,148,230</u>	<u>3,703,845</u>	<u>3,445,834</u>	<u>3,058,282</u>	<u>3,186,846</u>	<u>3,837,237</u>	<u>3,205,251</u>	<u>3,825,559</u>
Business-type activities:										
Charges for services:										
Food Service	419,129	560,581	616,700	647,804	627,124	590,621	600,241	599,882	644,523	724,486
Childcare Program	416,474	538,097	267,699	138,136						
Operating Grants and Contributions	<u>747,983</u>	<u>919,179</u>	<u>1,072,697</u>	<u>1,019,220</u>	<u>1,008,189</u>	<u>953,844</u>	<u>946,905</u>	<u>920,261</u>	<u>893,832</u>	<u>801,814</u>
Total Business-type Activities Program Revenues	<u>1,583,586</u>	<u>2,017,857</u>	<u>1,957,096</u>	<u>1,805,160</u>	<u>1,635,313</u>	<u>1,544,465</u>	<u>1,547,146</u>	<u>1,520,143</u>	<u>1,538,355</u>	<u>1,526,300</u>
Total District Program Revenues	<u>\$ 9,499,310</u>	<u>\$ 19,848,870</u>	<u>\$ 23,105,326</u>	<u>\$ 5,509,005</u>	<u>\$ 5,081,147</u>	<u>\$ 4,602,747</u>	<u>\$ 4,733,992</u>	<u>\$ 5,357,380</u>	<u>\$ 4,743,606</u>	<u>\$ 5,351,859</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (77,705,481)	\$ (77,618,273)	\$ (78,728,249)	\$ (90,037,748)	\$ (83,457,674)	\$ (70,069,521)	\$ (66,804,426)	\$ (63,549,267)	\$ (62,455,462)	\$ (61,106,329)
Business-type Activities	<u>(38,430)</u>	<u>(122,377)</u>	<u>(211,346)</u>	<u>(192,828)</u>	<u>(129,725)</u>	<u>(35,146)</u>	<u>(56,114)</u>	<u>(93,093)</u>	<u>(71,160)</u>	<u>52,324</u>
Total District-wide Net Expense	<u>\$ (77,743,911)</u>	<u>\$ (77,740,650)</u>	<u>\$ (78,939,595)</u>	<u>\$ (90,230,576)</u>	<u>\$ (83,587,399)</u>	<u>\$ (70,104,667)</u>	<u>\$ (66,860,540)</u>	<u>\$ (63,642,360)</u>	<u>\$ (62,526,622)</u>	<u>\$ (61,054,005)</u>

(Continued)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 43,045,120	\$ 41,327,967	\$ 40,517,615	\$ 39,687,220	\$ 38,464,482	\$ 37,188,880	\$ 35,885,892	\$ 34,692,139	\$ 33,520,000	\$ 33,285,000
Taxes Levied for Debt Service	1,332,531	1,343,700	1,347,900	1,348,686	1,443,800	1,435,800	1,441,030	1,439,980	991,721	1,405,650
Unrestricted Grants and Contributions	36,928,568	36,354,510	33,744,191	44,648,119	30,730,259	29,487,727	28,755,543	28,765,803	27,613,694	25,201,387
Restricted Grants and Contributions									(27,682)	1,214,989
Investment Earnings	116,534	119,928	25,129	5,760	2,528	696	600	772	483	
Miscellaneous Income	118,644	8,410	47,786	106,824	112,448	315,337	232,313	106,914	381,402	166,561
Transfers	(96,927)	(182,532)	(225,000)	(200,000)						
Total Governmental Activities	<u>81,444,470</u>	<u>78,971,983</u>	<u>75,457,621</u>	<u>85,596,609</u>	<u>70,753,517</u>	<u>68,428,440</u>	<u>66,315,378</u>	<u>65,005,608</u>	<u>62,479,618</u>	<u>61,273,587</u>
Business-type Activities:										
Investment Earnings	1,864	-	208			7,785	3,848			110
Transfers	96,927	182,532	225,000	200,000						
Total Business-type Activities	<u>98,791</u>	<u>182,532</u>	<u>225,208</u>	<u>200,000</u>	<u>-</u>	<u>7,785</u>	<u>3,848</u>	<u>-</u>	<u>-</u>	<u>110</u>
Total District-wide	<u>\$ 81,543,261</u>	<u>\$ 79,154,515</u>	<u>\$ 75,682,829</u>	<u>\$ 85,796,609</u>	<u>\$ 70,753,517</u>	<u>\$ 68,436,225</u>	<u>\$ 66,319,226</u>	<u>\$ 65,005,608</u>	<u>\$ 62,479,618</u>	<u>\$ 61,273,697</u>
Change in Net Position										
Governmental Activities	\$ 3,555,651	\$ 1,353,710	\$ (3,270,628)	\$ (4,441,139)	\$ (12,704,157)	\$ (1,641,081)	\$ (489,048)	\$ 1,456,341	\$ 24,156	\$ 167,258
Business-type Activities	60,361	60,155	13,862	7,172	(129,725)	(27,361)	(52,266)	(93,093)	(71,160)	52,434
Total District	<u>\$ 3,616,012</u>	<u>\$ 1,413,865</u>	<u>\$ (3,256,766)</u>	<u>\$ (4,433,967)</u>	<u>\$ (12,833,882)</u>	<u>\$ (1,668,442)</u>	<u>\$ (541,314)</u>	<u>\$ 1,363,248</u>	<u>\$ (47,004)</u>	<u>\$ 219,692</u>

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Restricted	\$ 6,710,520	\$ 4,226,508	\$ 2,258,192	\$ 1,751,692	\$ 3,951,093	\$ 6,926,291	\$ 8,432,412	\$ 6,695,420	\$ 4,331,416	\$ 864,957
Assigned	1,512,082	223,850	167,500	1,992,432	1,084,280	247,050	202,274	1,192,765	220,586	2,882,581
Unassigned (Deficit)	<u>(739,996)</u>	<u>(612,054)</u>	<u>(670,806)</u>	<u>(716,475)</u>	<u>(736,865)</u>	<u>(764,667)</u>	<u>(884,032)</u>	<u>(984,952)</u>	<u>(684,978)</u>	<u>(505,031)</u>
Total General Fund	<u>\$ 7,482,606</u>	<u>\$ 3,838,304</u>	<u>\$ 1,754,886</u>	<u>\$ 3,027,649</u>	<u>\$ 4,298,508</u>	<u>\$ 6,408,674</u>	<u>\$ 7,750,654</u>	<u>\$ 6,903,233</u>	<u>\$ 3,867,024</u>	<u>\$ 3,242,507</u>
All Other Governmental Funds										
Restricted										\$ 925,092
Debt Service Fund		\$ 9,269	\$ 9,269	\$ 9,269	\$ 9,269					450,369
Unassigned (Deficit), Reported in:										
Special Revenue Fund	\$ (66,184)	(75,991)	(265,221)	(81,919)	(70,620)	(83,332)	(88,981)	(101,839)	(73,608)	(81,711)
Capital Projects Fund	<u>(27,122)</u>									
Total All Other Governmental Funds	<u>\$ (93,306)</u>	<u>\$ (66,722)</u>	<u>\$ (255,952)</u>	<u>\$ (72,650)</u>	<u>\$ (61,351)</u>	<u>\$ (83,332)</u>	<u>\$ (88,981)</u>	<u>\$ (101,839)</u>	<u>\$ (73,608)</u>	<u>\$ 1,293,750</u>

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Tax Levy	\$ 44,377,651	\$ 42,671,667	\$ 41,865,515	\$ 41,035,906	\$ 39,908,282	\$ 38,624,680	\$ 37,326,922	\$ 36,132,119	\$ 34,511,721	\$ 34,690,650
Tuition Charges	267,685	387,304	584,016	813,490	452,379	322,655	426,709	487,238	186,390	78,651
Interest Earnings	116,534	119,928	25,129	5,760	2,528	696	600	772	38,483	
Miscellaneous	118,646	161,178	47,786	106,824	112,448	315,337	232,313	106,914	381,402	166,561
State Sources	37,643,689	37,214,104	35,975,572	32,606,584	31,605,097	30,247,095	29,708,640	29,705,674	27,605,538	27,287,001
Federal Sources	1,903,874	1,858,134	1,957,705	2,096,857	2,113,554	1,960,246	1,802,100	2,409,128	2,998,343	2,876,283
Local Sources	100,000	-	500	4,937	5,063	16,013	4,940	1,000	992	
Total Revenue	84,528,079	82,412,315	80,456,223	76,670,358	74,199,351	71,486,722	69,502,224	68,842,845	65,684,869	65,099,146
Expenditures										
Instruction										
Regular Instruction	22,002,093	22,440,087	23,509,272	22,651,872	23,415,876	22,920,487	22,548,690	22,037,174	20,354,916	19,892,776
Special Education Instruction	6,388,190	4,554,610	4,121,083	3,936,671	3,897,859	3,303,324	2,808,399	2,791,075	5,219,200	4,859,962
Other Special Instruction	2,024,341	2,104,366	1,754,638	1,761,026	1,615,383	1,545,530	1,457,663	1,020,979	1,452,729	1,217,785
Support Services:										
Tuition	6,229,187	6,294,288	5,380,139	4,719,675	4,576,912	4,757,738	4,239,302	3,556,226	2,747,369	2,082,114
Student & Instruction Related Services	7,147,255	6,959,589	8,714,579	7,349,614	7,111,390	6,449,005	6,279,860	6,093,396	6,734,983	7,538,492
General Administrative Services	805,216	869,150	998,031	940,658	992,939	1,042,134	906,535	787,983	725,628	739,435
School Administrative Services	2,242,561	2,375,427	2,716,810	2,660,268	2,679,708	2,554,577	2,552,143	2,447,278	2,242,478	2,093,983
Central Services	439,750	506,710	457,454	670,244	665,798	624,945	539,314	551,880	610,715	608,097
Administrative Information Technology	546,154	448,677	594,722	836,269	839,376	882,199	628,296	714,732	1,067,476	786,706
Plant Operations and Maintenance	5,432,257	5,603,301	5,423,279	5,465,499	6,011,088	5,755,410	5,531,634	5,123,537	5,115,981	5,431,517
Pupil Transportation	3,001,773	3,641,837	4,211,604	4,053,915	4,086,791	4,215,472	3,782,617	3,485,828	3,364,561	3,114,680
Unallocated Employee Benefits	21,802,863	22,100,883	21,143,453	20,027,070	17,590,117	15,775,599	15,561,216	15,627,659	12,855,138	13,192,884
Transfer to Charter School	118,797	219,283	265,233	168,272	139,758	105,349				
Special Schools	5,000	37,743	74,779	84,841	90,554					
Capital Outlay	1,286,197	457,484	974,312	930,095	1,632,904	1,307,643	479,992	157,140	2,494,446	2,507,223
Debt Service:										
Principal	1,265,000	1,230,000	1,210,000	1,210,000	1,100,000	1,050,000	1,010,000	965,000	925,000	885,000
Interest and Other Charges	76,800	113,700	137,900	286,527	606,710	533,641	431,030	474,980	517,090	557,380
Total Expenditures	80,813,434	79,957,135	81,687,288	77,752,516	77,053,163	72,823,053	68,756,691	65,834,867	66,427,710	65,508,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,714,645	2,455,180	(1,231,065)	(1,082,158)	(2,853,812)	(1,336,331)	745,533	3,007,978	(742,841)	(408,888)
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)					650,558		114,746			
Proceeds of Refunding Debt					7,490,000					
Payment to Refunded Debt Escrow Agent					(7,560,777)					
Original Issue Premium					185,846					
Transfers In				288,780	249,561	25,205				
Transfers Out	(96,927)	(182,532)	(225,000)	(488,780)	(249,561)	(25,205)				
Total Other Financing Sources (Uses)	(96,927)	(182,532)	(225,000)	(200,000)	765,627	-	114,746	-	-	-
Net Change in Fund Balances	\$ 3,617,718	\$ 2,272,648	\$ (1,456,065)	\$ (1,282,158)	\$ (2,088,185)	\$ (1,336,331)	\$ 860,279	\$ 3,007,978	\$ (742,841)	\$ (408,888)
Debt Service as a Percentage of Noncapital Expenditures	1.7%	1.7%	1.7%	1.9%	2.3%	2.2%	2.1%	2.2%	2.3%	2.3%
Source: District Records										

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30.</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Grant										\$ 1,000
Prior Year Purchase Order Adjustments								\$ 2,212	\$ 182,601	20,015
Prior Year Tuition Adjustments									6,545	875
Refunds	\$ 15,112	\$ 10,946	\$ 3,693	\$ 48,052	\$ 28,812	\$ 217,249	\$ 67,283	80,642	167,460	122,883
Lease Purchase Agreement		126,537								
Miscellaneous	96,534			43,179	74,961	64,297	98,396	721		
Rentals	7,000	16,000	40,000		836	32,673	33,600	21,279		
Sale of Fixed Assets										6,394
Sale of Obsolete Equipment										337
Scrap/Salvage								545		
Seminar/Class Fees								1,515	19,329	61,413
Township Share of Community Activities									5,467	2,955
Tuition										84,414
Transportation		7,695	4,093	15,593	7,839	1,118	28,205			
Advertising Fees - School Buses							4,829			
	<u>\$ 118,646</u>	<u>\$ 161,178</u>	<u>\$ 47,786</u>	<u>\$ 106,824</u>	<u>\$ 112,448</u>	<u>\$ 315,337</u>	<u>\$ 232,313</u>	<u>\$ 106,914</u>	<u>\$ 381,402</u>	<u>\$ 300,286</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2020	\$ 50,181,700	\$ 1,861,417,900	\$ 7,418,500	\$ 772,313,500	\$ 17,990,900	\$ 101,531,200	\$ 2,810,853,700	\$ 6,007,538	\$ 2,816,861,238	\$ 414,002,300	\$ 2,886,274,631	\$ 1,599
2019	49,373,600	1,861,797,000	7,403,700	774,547,300	17,990,900	101,531,200	2,812,643,700	6,007,538	2,818,651,238	414,133,900	2,924,785,835	1,575
2018	51,502,300	1,852,721,000	7,407,100	776,043,900	17,683,300	101,531,200	2,806,888,800	5,925,130	2,812,813,930	411,748,200	2,911,815,663	1,518
2017	52,731,900	1,842,888,000	7,506,700	768,412,600	17,394,700	101,531,200	2,790,465,100	6,172,001	2,796,637,101	409,490,500	2,788,013,393	1,497
2016	58,007,100	1,831,117,500	8,034,100	773,426,700	18,002,700	102,577,000	2,791,165,100	6,084,393	2,797,249,493	378,279,900	2,692,221,531	1,467
2015	59,768,000	1,820,706,600	8,397,400	791,494,800	18,332,600	102,577,000	2,801,276,400	6,098,196	2,807,374,596	372,794,500	2,781,287,814	1,422
2014	60,953,400	1,811,673,600	8,673,000	808,000,600	15,635,200	102,688,700	2,807,624,500	5,957,884	2,813,582,384	372,528,700	2,769,095,863	1,373
2013	63,135,800	1,800,420,300	8,774,300	873,643,700	16,838,800	102,688,700	2,865,501,600	6,596,438	2,872,098,038	370,818,500	3,004,307,804	1,300
2012	69,657,900	1,802,363,800	10,392,200	88,325,340	18,788,800	107,528,200	2,097,056,240	800,490,605	2,897,546,845	369,249,200	3,188,731,451	1,247
2011	36,182,100	1,136,237,008	6,405,600	489,914,727	10,000,900	52,861,400	1,731,601,735	4,439,720	1,736,041,455	192,804,700	3,188,731,451	1,994

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping property tax rates and schedule of property tax levies and collections.

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Property Tax Rates
 Last Ten (Fiscal) Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Year Ended <u>June 30,</u>	District Direct Rate			Overlapping Rates		Total Direct and <u>Tax Rate</u>
	<u>Basic Rate (1)</u>	<u>General Obligation Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>Township of Deptford</u>	<u>County of Gloucester</u>	
2020	\$ 1.5507	\$ 0.0483	\$ 1.5990	\$ 0.913	\$ 0.673	\$ 3.185
2019	1.5254	0.0496	1.5750	0.894	0.669	3.138
2018	1.4701	0.0479	1.5180	0.883	0.664	3.065
2017	1.4488	0.0482	1.4970	0.850	0.631	2.978
2016	1.4190	0.0480	1.4670	0.848	0.599	2.914
2015	1.3701	0.0515	1.4216	0.805	0.593	2.820
2014	1.3229	0.0501	1.3730	0.805	0.566	2.744
2013	1.2495	0.0505	1.3000	0.793	0.586	2.679
2012	1.1973	0.0500	1.2473	1.057	0.919	3.223
2011	1.9843	0.0100	1.9943	1.192	0.919	4.105

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation

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

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

Source: Municipal Tax Collector

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Deptford Mall Associates	\$ 161,775,400	1	5.75%	\$ 85,515,900	1	4.92%
BRE RC Deptford NJ LLC	57,819,600	2	2.06%			
Longfish Holdings LLC	36,200,000	3	1.29%			
Merion Locust Grove LP	26,317,200	4	0.94%			
Walmart	21,300,000	5	0.76%	20,904,700	2	1.20%
Narraticon SPE LLC & D&A LLC	19,625,300	6	0.70%			
Almonesson Associates - II	18,000,000	7	0.64%	10,888,000	9	0.63%
Macys East Inc	17,687,300	8	0.63%			
Inverness Apartments LLC	17,256,200	9	0.61%			
MS Portfolio LLC C/O Macerich Co	16,330,100	10	0.58%			
Almonesson Associates - I				20,827,800	3	1.20%
AIG Baker/Walmar				20,285,800	4	1.17%
AIG Baker				15,135,100	5	0.87%
AIG Baker/Sams				14,766,600	7	0.85%
Deptford Commons				12,750,000	8	0.73%
Boscov's						
QRP Land II, LP				15,000,000	6	0.86%
Macy's Department Store				10,822,645	10	0.62%
Total	\$ 392,311,100		13.95%	\$ 226,896,545		13.05%

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year Ended June 30.</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2020	\$ 44,377,651	\$ 44,377,651	100.00%	-
2019	42,671,667	42,671,667	100.00%	-
2018	41,856,246	41,856,246	100.00%	-
2017	41,035,906	41,035,906	100.00%	-
2016	38,464,482	38,464,482	100.00%	-
2015	37,188,880	37,188,880	100.00%	-
2014	37,326,922	37,326,922	100.00%	-
2013	36,132,119	36,132,119	100.00%	-
2012	33,520,000	33,520,000	100.00%	-
2011	33,285,000	33,285,000	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>		
2020	\$ 2,575,000	N/A		N/A	N/A	\$ 2,575,000	0.155%	\$ 84.85
2019	3,840,000	N/A	\$ 93,660	N/A	N/A	3,933,660	0.246%	129.27
2018	5,070,000	N/A	185,800	N/A	N/A	5,255,800	0.344%	171.86
2017	6,280,000	N/A	339,686	N/A	N/A	6,619,686	0.442%	216.60
2016	7,490,000	N/A	650,558	N/A	N/A	8,140,558	0.570%	266.11
2015	8,595,000	N/A	46,449	N/A	N/A	8,641,449	0.624%	282.86
2014	9,645,000	N/A	68,819	N/A	N/A	9,713,819	0.715%	318.29
2013	10,655,000	N/A	-	N/A	N/A	10,655,000	0.802%	348.59
2012	11,620,000	N/A	-	N/A	N/A	11,620,000	0.904%	379.75
2011	12,545,000	N/A	-	N/A	N/A	12,545,000	0.985%	409.33

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

- (1) Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: District CAFR Exhibits I-1, I-2

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2020	\$ 2,575,000	-	\$ 2,575,000	0.09%	\$ 84.85
2019	3,840,000	-	3,840,000	0.14%	126.19
2018	5,070,000	-	5,070,000	0.18%	165.78
2017	6,280,000	-	6,280,000	0.22%	205.48
2016	7,490,000	-	7,940,000	0.28%	259.55
2015	8,595,000	-	9,213,970	0.33%	301.60
2014	9,645,000	-	9,645,000	0.34%	316.03
2013	10,655,000	-	10,655,000	0.37%	348.59
2012	11,620,000	-	11,620,000	0.40%	379.75
2011	12,545,000	-	12,545,000	0.72%	409.33

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

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit J-14.

Source: District Records.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2019
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Deptford	\$ 21,019,646	100.00%	\$ 21,019,646
Other debt			
County of Gloucester	224,878,554	10.51%	<u>23,634,736</u>
Subtotal, overlapping debt			44,654,382
Deptford Township School District Direct Debt			<u>2,575,000</u>
Total direct and overlapping debt			<u><u>\$ 47,229,382</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by County of Gloucester
 Debt outstanding provided by applicable 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 Deptford. 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.

(1) 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.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis	
2020	\$ 2,891,749,564
2019	2,930,270,397
2018	<u>2,917,271,266</u>
	<u>\$ 8,739,291,227</u>
Average equalized valuation of taxable property	<u>\$ 2,913,097,076</u>
Debt limit (4% of average equalization value) (1)	\$ 116,523,883
Total Net Debt Applicable to Limit	<u>2,575,000</u>
Legal Debt Margin	<u>\$ 113,948,883</u>

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 116,523,883	\$ 115,215,241	\$ 112,120,511	\$ 110,149,466	\$ 77,550,263	\$ 118,167,679	\$ 117,972,580	\$ 119,509,217	\$ 122,242,459	\$ 112,507,516
Total net debt applicable to limit	<u>2,575,000</u>	<u>3,840,000</u>	<u>5,070,000</u>	<u>6,280,000</u>	<u>7,490,000</u>	<u>8,595,000</u>	<u>9,645,000</u>	<u>10,655,000</u>	<u>11,620,000</u>	<u>12,545,000</u>
Legal debt margin	<u>\$ 113,948,883</u>	<u>\$ 111,375,241</u>	<u>\$ 107,050,511</u>	<u>\$ 103,869,466</u>	<u>\$ 70,060,263</u>	<u>\$ 109,572,679</u>	<u>\$ 108,327,580</u>	<u>\$ 108,854,217</u>	<u>\$ 110,622,459</u>	<u>\$ 99,962,516</u>
Total net debt applicable to the limit as a percentage of debt limit	2.21%	3.33%	4.52%	5.70%	9.66%	7.27%	8.18%	8.92%	9.51%	11.15%

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

Source: Abstract of Ratables and District Records CAFR Schedule J-7

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year <u>Ended</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2020	30,349	\$ 1,661,456,005	\$ 54,745	4.00%
2019	30,430	1,597,757,580	52,506	4.70%
2018	30,582	1,529,283,492	50,006	5.10%
2017	30,562	1,497,049,008	48,984	5.60%
2016	30,591	1,427,070,150	46,650	5.10%
2015	30,550	1,385,717,450	45,359	6.10%
2014	30,519	1,359,407,817	44,543	6.50%
2013	30,566	1,329,223,642	43,487	10.60%
2012	30,599	1,285,402,792	42,008	9.50%
2011	30,648	1,273,761,528	41,561	9.50%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by county is based on the U.S. Department of Commerce Bureau of Economic Analysis, April 2010 (which includes prior year revised amounts)
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Principal Employers
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>
Deptford Mall	2,000	1	N/A			
Deptford Board of Education	671	2	N/A			
Gloucester County Special Services School	575	3	N/A			
Wal-Mart #3422	550	4	N/A			
Wal-Mart #5476	520	5	N/A			
Rowan University	325	6	N/A	1,300	4	N/A
Innova Health and Rehabilitation	250	7	N/A			
Home Depot	193	8	N/A			
Gloucester County Vocational-Technical School	168	9	N/A			
B.J.s	150	10	N/A			
Underwood Memorial Hospital				1,825	1	N/A
Washington Township Public Schools				1,504	2	N/A
County of Gloucester				1,500	3	N/A
Kennedy Hospital				1,200	5	N/A
MISSA Bay LLC				950	6	N/A
U.S. Foodservices				800	7	N/A
Monroe Township School District				714	8	N/A
Goodwin Pumps				640	9	N/A
Valero				640	10	N/A
	<u>5,402</u>		<u>0.00%</u>	<u>9,773</u>		<u>0.00%</u>

Source: Countywide Disclosure

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ending June 30.</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction										
Regular	296	293	298	318	315	297	375	354	356	331
Special education	115	78	80	109	105	88	93	93	93	93
Other special education	19	19	17	-	-	-	-	-	-	-
Other instruction	22	19	18	-	-	-	-	-	-	-
Support Services:										
Security	1	-	-	-	-	-	-	-	-	-
Student & instruction related services	91	104	95	99	105	90	92	73	51	62
General administrative services	3	3	4	4	3	3	4	4	4	4
School administrative services	57	59	69	32	34	31	30	32	28	28
Business administrative services	6	6	7	7	13	11	18	18	18	18
Plant operations and maintenance	55	54	58	68	72	98	59	60	60	62
Pupil transportation	77	67	55	46	43	61	63	65	68	70
Food Service	11	23	20	21	18	25	33	33	37	37
Total	753	725	721	704	708	704	767	732	715	705

Source: District Personnel Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2020	4,055	\$ 78,185,437	\$ 19,281.24	2.10%	376	1:13	1:16	1:13	4,056	3,908	-1.22%	96.35%
2019	4,138	78,155,951	18,887.37	0.93%	377	1:14	1:15	1:14	4,106	3,887	-2.95%	94.67%
2018	4,241	79,365,076	18,713.76	7.65%	378	1:12	1:11	1:11	4,231	4,004	-1.95%	94.63%
2017	4,333	75,325,894	17,384.24	2.26%	381	1:12	1:09	1:09	4,315	4,100	-0.19%	95.02%
2016	4,336	73,713,549	17,000.36	13.66%	524	1:10	1:12	1:09	4,323	4,118	0.32%	95.26%
2015	4,305	64,392,398	14,957.58	9.58%	447	1:10	1:12	1:09	4,309	4,081	-0.83%	94.71%
2014	4,342	59,267,757	13,649.87	-1.84%	448	1:10	1:12	1:09	4,345	4,117	0.31%	94.75%
2013	4,388	61,016,657	13,905.35	-2.05%	436	1:10	1:12	1:09	4,331	4,098	-0.56%	94.62%
2012	4,402	62,491,174	14,196.09	5.67%	386	1:12	1:11	1:11	4,356	4,141	0.09%	95.06%
2011	4,390	58,978,036	13,434.63	2.17%	386	1:12	1:11	1:11	4,352	4,122	1.59%	94.72%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>District Building</u>										
<u>Elementary</u>										
Central Elementary School (2004)										
Square Feet	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	590	599	634	667	667	592	592	592	592	569
Good Intent Elementary School (1960)										
Square Feet	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565
Capacity (students)	515	515	515	515	515	515	515	515	515	515
Enrollment	354	347	357	359	359	392	392	392	412	412
Lake Tract Elementary School (1964)										
Square Feet	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	406	500	483	512	512	512	497	497	497	459
New Sharon Elementary School (1924)										
Square Feet	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282
Capacity (students)	70	70	70	70	70	70	70	70	70	70
Enrollment	-	-	17	16	16	16	22	22	22	21
Oak Valley Elementary School (1959)										
Square Feet	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238
Capacity (students)	276	276	276	276	276	276	276	276	276	276
Enrollment	361	376	370	416	416	416	375	375	380	380
Pine Acres Elementary School (1964)										
Square Feet	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540
Capacity (students)	290	290	290	290	290	290	290	290	290	290
Enrollment	260	250	245	279	279	279	276	276	276	243
Shady Lane Elementary School (1957)										
Square Feet	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	404	383	414	416	416	416	546	546	546	535
<u>Middle School</u>										
Monongahela Middle School (1984)										
Square Feet	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186
Capacity (students)	560	560	560	560	560	560	560	560	560	560
Enrollment	673	586	637	614	614	614	648	648	648	676
<u>High School</u>										
Deptford High School (1974)										
Square Feet	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992
Capacity (students)	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Enrollment	1,009	1,064	1,074	1,037	1,037	1,037	985	985	985	1,023
<u>Other</u>										
District Wide										
Square Feet	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988

Number of Schools at June 30, 2020

Elementary = 7

Middle School = 1

High School = 1

Other = 1

Source: District records, ASSA

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

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

* School Facilities	Project # (s)	Fiscal Year Ending June 30,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Deptford High School	N/A	\$ 299,163	\$ 320,522	\$ 255,510	\$ 145,263	\$ 88,499	\$ 91,147	\$ 76,874	\$ 157,725	\$ 205,316	\$ 172,974
Monongahela Middle School	N/A	132,961	142,455	113,560	64,561	36,891	36,951	34,167	31	6,679	6,542
Central Elementary School	N/A	91,411	97,938	78,073	68,596	29,513	29,561	32,032		2,486	6,219
Good Intent Elementary School	N/A	49,861	53,421	42,585	20,175	9,838	9,854	12,813		222	8,320
Lake Tract Elementary School	N/A	41,550	44,517	35,488	20,175	9,838	9,854	10,677	1,000	1,715	3,661
New Sharon Elementary School	N/A	8,310	8,903	7,096	4,035	4,919	4,927	2,135		222	1,867
Pine Acres Elementary School	N/A	49,859	53,421	42,585	24,210	14,757	14,781	12,813		3,639	8,244
Oak Valley Elementary School	N/A	49,859	53,421	42,585	24,210	14,757	14,781	12,813		1,559	10,259
Shady Lane Elementary School	N/A	74,791	80,131	63,878	32,281	24,594	24,634	19,219		958	17,796
District Wide	N/A	33,241	35,614	28,390		9,838	9,854				
Total School Facilities		\$ 831,006	\$ 890,343	\$ 709,750	\$ 403,506	\$ 243,444	\$ 246,344	\$ 213,543	\$ 158,756	\$ 222,796	\$ 235,881

* 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

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Insurance Schedule

June 30, 2020

Unaudited

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Gloucester Cumberland Salem School Districts Joint Insurance Fund	Property, Inland Marine and Automobiles Physical Damage		
	Limit of Liability	\$175,000,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		\$500
	Property Valuation		
	Buildings and Contents	Replacement Cost	
	Contractors Equipment	Actual Cash Value	
	Automobiles	Replacement Cost	
	Boiler and Machinery		
	Limit of Liability	\$125,000,000	
	GCSSD JIF Self Insured Retention	None	
	Member District Deductible		\$1,000
	Crime		
	Limit of Liability	\$500,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		\$500
	General and Automobile Liability		
	Limit of Liability	\$20,000,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		None
	Worker's Compensation		
	Limit of Liability	Statutory	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		None
	Employer's Legal Liability		
	Limit of Liability	\$10,000,000	
	GCSSD JIF Self Insured Retention	None	
Member District Deductible		None	
Educator's Legal Liability			
Limit of Liability	\$20,000,000		
GCSSD JIF Self Insured Retention	\$250,000		
Member District Deductible		None	
Pollution Legal Liability			
Limit of Liability	\$3,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$25,000	
Member District Deductible (Mold Specific)		\$250,000	
Cyber Legal Liability			
Limit of Liability	\$2,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$10,000	
Violent Malicious Acts			
Limit of Liability	\$1,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$15,000	
Disaster Management Services			
Limit of Liability	\$2,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$15,000	
Selective Insurance Company	Surety Bond		
	School Board Secretary & Treasurer	\$718,000	

Source: District records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Deptford School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2020. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 federal or 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 federal and state program. However, our audit does not provide a legal determination of the Township of Deptford School District's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control over Compliance

Management of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, 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 major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 Township of Deptford School District's internal control over compliance.

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

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20CS00205000

Voorhees, New Jersey
February 3, 2021

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-through Entity Identifying Number	Program or Award Amount	Grant Period		Balance at June 30, 2019	
					From	To	Unearned Revenue / (Accounts Receivable)	Carryover / (Walkover) Amount
General Fund:								
U.S. Department of Health and Human Services								
Passed-through State Department of Human Services								
Medicaid Cluster								
Medical Assistance Program (Medicaid)	93.778	2005NJ5MAP	100-054-7540-211	101,669	7-1-2019	6-30-2020		
Total Medicaid Cluster							-	-
Total General Fund							-	-
Special Revenue Fund:								
U.S. Department of Defense								
NJROTC								
NJROTC	12.U01	N/A	N/A	89,186	7-1-2016	6-30-2017	\$ 3,188	
NJROTC	12.U01	N/A	N/A	89,186	7-1-2017	6-30-2018	546	
Total NJROTC							3,734	-
U.S. Department of Education								
Passed-through State Department of Education								
E.S.S.A.:								
Title I Grants to Local Educational Agencies (Title I, Part A)	84.010	S010A180030	ESSA110019	606,495	7-1-2018	6-30-2019	(180,341)	
Title I Grants to Local Educational Agencies (Title I, Part A)	84.010	S010A190030	ESSA110020	639,024	7-1-2019	9-30-2020		
Total Title I Grants to Local Educational Agencies							(180,341)	-
Supporting Effective Instruction State Grant (Title II, Part A)	84.367	S367A180029	ESSA110019	101,792	7-1-2018	6-30-2019	(6,158)	
Supporting Effective Instruction State Grant (Title II, Part A)	84.367	S367A190029	ESSA110020	74,341	7-1-2019	9-30-2020		
Total Supporting Effective Instruction State Grant							(6,158)	-
English Language Acquisition Grants (Title III)	84.365	S365A180030	ESSA110019	25,994	7-1-2018	6-30-2019	7,962	
English Language Acquisition Grants (Title III)	84.365	S365A190030	ESSA110020	25,717	7-1-2019	9-30-2020		
Total English Language Acquisition Grants							7,962	-
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A090031	ESSA110010	12,356	9-1-2009	8-31-2010	5,544	
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A180031	ESSA110019	31,865	7-1-2018	6-30-2019	(2,861)	
Student Support and Academic Enrichment Grants (Title IV)	84.424	S424A190031	ESSA110020	49,844	7-1-2019	9-30-2020		
Total Student Support and Academic Enrichment Grants							2,683	-
Special Education Cluster (IDEA):								
Special Education - Grants to States (IDEA, Part B), Recovery Act	84.027	H391A090100	IDEA267017	1,083,478	7-1-2009	9-30-2011	(1,276)	
Special Education - Grants to States (IDEA, Part B)	84.027	H027A180100	IDEA110019	1,141,021	7-1-2018	6-30-2019	(252,686)	
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190100	IDEA110020	1,106,830	7-1-2019	9-30-2020		
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A180114	IDEA110019	36,097	7-1-2018	6-30-2019	(36,785)	
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190114	IDEA110020	36,411	7-1-2019	9-30-2020		
Total Special Education Cluster (IDEA)							(290,747)	-
Include	84.318X	N/A	N/A	434,702	9-1-2010	8-31-2011	(59,470)	
Total Special Revenue Fund							(522,337)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Education								
Child Nutrition Cluster								
Non-Cash Assistance								
National School Lunch Program - Commodities (Noncash)	10.555	191NJ304N1099	N/A	76,005	7-1-2019	6-30-2020		
Total Non-Cash Assistance								
National School Lunch Program	10.555	191NJ304N1099	N/A	647,500	7-1-2018	6-30-2019	(32,708)	
National School Lunch Program	10.555	201NJ304N1099	N/A	359,421	7-1-2019	6-30-2020		
Healthy Hunger Free Kids Act	10.555	191NJ304N1099	N/A	18,584	7-1-2018	6-30-2019	(927)	
Healthy Hunger Free Kids Act	10.555	191NJ304N1099	N/A	11,817	7-1-2019	6-30-2020		
After School Snack Program	10.555	191NJ304N1099	N/A	1,981	7-1-2018	6-30-2019	(382)	
After School Snack Program	10.555	201NJ304N1099	N/A	3,437	7-1-2019	6-30-2020		
Seamless Summer Option (SSO) - COVID-19 Cares Act	10.555	201NJ304N1099	N/A	173,059	3-16-2020	6-30-2020		
School Breakfast Program	10.553	191NJ304N1099	N/A	230,894	7-1-2018	6-30-2019	(13,109)	
School Breakfast Program	10.553	201NJ304N1099	N/A	108,425	7-1-2019	6-30-2020		
Special Milk Program for Children	10.556	191NJ304N1099	N/A	3,886	7-1-2018	6-30-2019	(127)	
Special Milk Program for Children	10.556	201NJ304N1099	N/A	1,391	7-1-2019	6-30-2020		
Total Cash Assistance							(47,253)	
Total Child Nutrition Cluster							(47,253)	
Total Enterprise Fund							(47,253)	-
Total Federal Financial Assistance							\$ (569,590)	\$ -

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

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020		
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 101,669	\$ 101,669		\$ 101,669						
101,669	101,669	-	101,669	-	-	-	-	-	-
101,669	101,669	-	101,669	-	-	-	-	-	-
								\$ 3,188	
								546	
								3,734	
180,341									
510,428	566,229		566,229				\$ (55,801)		
690,769	566,229	-	566,229	-	-	-	(55,801)	-	-
6,158									
66,028	66,028		66,028						
72,186	66,028	-	66,028	-	-	-	-	-	-
(7,962)									
9,233	9,368		9,368				(135)		
1,271	9,368	-	9,368	-	-	-	(135)	-	-
							(2,955)	8,499	
2,861									
19,296	20,688		20,688				(1,392)		
22,157	20,688	-	20,688	-	-	-	(4,347)	8,499	-
							(1,276)		
252,686									
1,045,736	1,102,867		1,102,867				(57,131)		
36,785									
36,411	36,411		36,411						
1,371,618	1,139,278	-	1,139,278	-	-	-	(58,407)	-	-
							(59,470)		
2,158,001	1,801,591	-	1,801,591	-	-	-	(178,160)	12,233	-
76,005	76,005		76,005						
76,005	76,005		76,005						
32,708									
359,421	359,421		359,421						
927									
11,817	11,817		11,817						
382									
3,437	3,437		3,437						
103,254	173,059		173,059				(69,805)		
13,109									
108,425	108,425		108,425						
127									
1,391	1,391		1,391						
634,998	657,550		657,550				(69,805)		
711,003	733,555		733,555				(69,805)		
711,003	733,555	-	733,555	-	-	-	(69,805)	-	-
\$ 2,970,673	\$ 2,636,815	\$ -	\$ 2,636,815	\$ -	\$ -	\$ -	\$ (247,965)	\$ 12,233	\$ -

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Awards, Schedule B
 For the Fiscal Year Ended June 30, 2020

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2019		Carryover/ (Walkover) Amount
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor	
General Fund:								
New Jersey Department of Education:								
State Aid - Public Cluster:								
Equalization Aid	495-034-5120-078	\$ 20,845,846		7-1-2018	6-30-2019	\$ (1,864,964)		
Equalization Aid	495-034-5120-078	21,524,670		7-1-2019	6-30-2020			
School Choice	495-034-5120-068	144,228		7-1-2018	6-30-2019	(14,423)		
School Choice	495-034-5120-068	131,763		7-1-2019	6-30-2020			
Security Aid	495-034-5120-084	483,815		7-1-2018	6-30-2019	(48,382)		
Security Aid	495-034-5120-084	483,815		7-1-2019	6-30-2020			
Special Education Aid	495-034-5120-089	2,328,005		7-1-2018	6-30-2019	(232,801)		
Special Education Aid	495-034-5120-089	2,328,005		7-1-2019	6-30-2020			
Total State Aid - Public Cluster						(2,160,570)	-	-
Transportation Aid:								
Transportation Aid	495-034-5120-014	1,711,578		7-1-2018	6-30-2019	(171,158)		
Transportation Aid	495-034-5120-014	1,711,578		7-1-2019	6-30-2020			
Nonpublic Transportation Aid	495-034-5120-014	63,907		7-1-2018	6-30-2019	(63,907)		
Nonpublic Transportation Aid	495-034-5120-014	5,309		7-1-2019	6-30-2020			
Total Transportation Aid						(235,065)	-	-
Extraordinary Special Education Aid Costs								
Extraordinary Special Education Aid Costs	495-034-5120-044	588,695		7-1-2018	6-30-2019	(588,695)		
Extraordinary Special Education Aid Costs	495-034-5120-044	648,465		7-1-2019	6-30-2020			
Total Extraordinary Aid						(588,695)	-	-
Reimbursed T.P.A.F. Social Security								
Reimbursed T.P.A.F. Social Security	495-034-5095-003	2,313,532		7-1-2018	6-30-2019	(96,365)		
Reimbursed T.P.A.F. Social Security	495-034-5095-003	2,206,492		7-1-2019	6-30-2020			
Total Reimbursed T.P.A.F. Social Security						(96,365)	-	-
On-Behalf T.P.A.F Contributions (non-budgeted):								
On-Behalf T.P.A.F. Pension - Post-Retirement Medical	495-034-5094-001	2,121,163		7-1-2019	6-30-2020			
On-Behalf T.P.A.F. Pension - Normal Cost	495-034-5094-002	5,617,025		7-1-2019	6-30-2020			
On-Behalf T.P.A.F. Pension - Non-contributory Insurance	495-034-5094-004	100,679		7-1-2019	6-30-2020			
On-Behalf T.P.A.F. Pension - Long-Term Disability Insurance	495-034-5094-004	3,725		7-1-2019	6-30-2020			
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-	-
Total General Fund						(3,080,695)	-	-
Special Revenue Fund:								
New Jersey Department of Education								
Nonpublic Aid:								
Nursing Services	100-034-5120-070			7-1-2018	6-30-2019		\$ 485	
Nursing Services	100-034-5120-070	194		7-1-2019	6-30-2020			
Textbook Aid	100-034-5120-064			7-1-2018	6-30-2019		267	
Technology	100-034-5120-373			7-1-2018	6-30-2019		180	
Technology	100-034-5120-373	72		7-1-2019	6-30-2020			
Security	100-034-5120-509			7-1-2018	6-30-2019		750	
Security	100-034-5120-509	300		7-1-2019	6-30-2020			
Total Nonpublic Aid:						-	1,682	-
Preschool Education Aid								
Preschool Education Aid	495-034-5120-086	819,192	\$ 288,750	7-1-2018	6-30-2019	75,373		
Preschool Education Aid	495-034-5120-086	661,843		7-1-2019	6-30-2020	-		
Total Preschool Education Aid						75,373	-	-
IDEAL Grant								
IDEAL Grant	Not Available	41,566		7-1-2008	6-30-2009	48,883		
IDEAL Grant	Not Available	60,000		7-1-2009	6-30-2010	(3,000)		
Total IDEAL Grant						45,883	-	-
Include Grant								
Include Grant	Not Available	226,000		7-1-2008	6-30-2009	32,288		
Include Grant	Not Available	240,000		7-1-2009	6-30-2010	3,239		
Total Include Grant						35,527	-	-
Crossing Guard Arm								
Crossing Guard Arm	Not Available	600		7-1-2008	6-30-2009	600		
NJ Center for Teacher/Learn Math								
NJ Center for Teacher/Learn Math	Not Available	25,000		7-1-2008	6-30-2009	5,447		
NJ Center for Teacher/Learn Math	Not Available	25,000		7-1-2009	6-30-2010	27		
Total NJ Center for Teacher/Learn Math						5,474	-	-
Total Special Revenue Fund						162,857	1,682	-
Enterprise Fund:								
New Jersey Department of Agriculture								
State School Lunch Program								
State School Lunch Program	100-010-3350-023	15,332		7-1-2018	6-30-2019	(820)		
State School Lunch Program	100-010-3350-023	14,428		7-1-2019	6-30-2020			
Total Enterprise Fund						(820)	-	-
Total State Financial Assistance						\$ (2,918,658)	\$ 1,682	\$ -
Less State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of Education:								
On-Behalf T.P.A.F Contributions (non-budgeted):								
On-Behalf T.P.A.F. Pension - Post-Retirement Medical	495-034-5094-001	2,121,163		7-1-2019	6-30-2020			
On-Behalf T.P.A.F. Pension - Normal Cost	495-034-5094-002	5,617,025		7-1-2019	6-30-2020			
On-Behalf T.P.A.F. Pension - Non-contributory Insurance	495-034-5094-004	100,679		7-1-2019	6-30-2020			
On-Behalf T.P.A.F. Pension - Long-Term Disability Insurance	495-034-5094-004	3,725		7-1-2019	6-30-2020			
Total General Fund (Non-Cash Assistance)								
Total State Financial Assistance subject to Major Program Determination for State Single Audit								

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

Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Passed Through to Subrecipients	Adjustments	Balance at June 30, 2020			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2020	Cumulative Total Expenditures
\$ 1,864,964									\$ 20,845,846
19,562,696	\$ 21,524,670				\$ (1,961,974)			\$ (1,961,974)	21,524,670
14,423									144,228
118,587	131,763				(13,176)			(13,176)	131,763
48,382									483,815
435,433	483,815				(48,382)			(48,382)	483,815
232,801									2,328,005
2,095,204	2,328,005				(232,801)			(232,801)	2,328,005
<u>24,372,490</u>	<u>24,468,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,256,333)</u>	<u>-</u>	<u>-</u>	<u>(2,256,333)</u>	<u>48,270,147</u>
171,158									1,711,578
1,540,420	1,711,578				(171,158)			(171,158)	1,711,578
63,907									63,907
	5,309				(5,309)				5,309
<u>1,775,485</u>	<u>1,716,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(176,467)</u>	<u>-</u>	<u>-</u>	<u>(171,158)</u>	<u>3,492,372</u>
588,695									588,695
	648,465				(648,465)				648,465
588,695	648,465	-	-	-	(648,465)	-	-	-	1,237,160
96,365									2,313,532
2,098,063	2,206,492				(108,429)				2,206,492
<u>2,194,428</u>	<u>2,206,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,429)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,520,024</u>
2,121,163	2,121,163								2,121,163
5,617,025	5,617,025								5,617,025
100,679	100,679								100,679
3,725	3,725								3,725
<u>7,842,592</u>	<u>7,842,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,842,592</u>
<u>36,773,690</u>	<u>36,882,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,189,694)</u>	<u>-</u>	<u>-</u>	<u>(2,427,491)</u>	<u>65,362,295</u>
194		\$ 485					\$ 194		
		267							
		180							
72							72		
<u>300</u>		<u>750</u>					<u>300</u>		
566	-	1,682	-	-	-	-	566	-	-
75,991	151,364				-	\$ -	-	-	819,192
595,659	655,619				(66,184)	6,224	(66,184)	(66,184)	655,619
<u>671,650</u>	<u>806,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,184)</u>	<u>6,224</u>	<u>-</u>	<u>(66,184)</u>	<u>1,474,811</u>
						48,883			
					(3,000)				
-	-	-	-	-	(3,000)	48,883	-	-	-
						32,288			
						3,239			
-	-	-	-	-	-	35,527	-	-	-
						600			
						5,447			
						27			
-	-	-	-	-	-	5,474	-	-	-
<u>672,216</u>	<u>806,983</u>	<u>1,682</u>	<u>-</u>	<u>-</u>	<u>(69,184)</u>	<u>96,708</u>	<u>566</u>	<u>(66,184)</u>	<u>1,474,811</u>
820									15,332
9,904	14,428				(4,524)				14,428
<u>10,724</u>	<u>14,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,524)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,760</u>
<u>\$ 37,456,630</u>	<u>\$ 37,704,100</u>	<u>\$ 1,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,263,402)</u>	<u>\$ 96,708</u>	<u>\$ 566</u>	<u>\$ (2,493,675)</u>	<u>\$ 66,866,866</u>
	2,121,163								
	5,617,025								
	100,679								
	3,725								
	<u>7,842,592</u>								
	<u>\$ 29,861,508</u>								

TOWNSHIP OF DEPTFORD 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 (“the schedules”) include federal and state award activity of the Township of Deptford School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s 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 State of New Jersey Circular 15-08-OMB, *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, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules 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. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund, and proprietary fund (enterprise fund - food service) 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.

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(95,763) for the general fund and \$10,422 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures 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	\$ 101,669	\$ 36,826,899	\$ 36,928,568
Special Revenue	1,802,205	816,790	2,618,995
Food Service	733,555	14,428	747,983
	<u>2,637,429</u>	<u>37,658,117</u>	<u>40,295,546</u>
GAAP Basis Revenues			
GAAP Adjustments			
State Aid Payments		9,807	9,807
Encumbrances	(614)	36,176	(614)
	<u>(614)</u>	<u>45,983</u>	<u>9,193</u>
Total Awards and Financial Assistance Expended	<u>\$ 2,636,815</u>	<u>\$ 37,704,100</u>	<u>\$ 40,340,965</u>

Note 5: 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 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2020, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2020

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

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 Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster:
<u>10.553</u>	<u>NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>Healthy Hunger Free Kids Act</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>After School Snack Program</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>Seamless Summer Option - COVID-19 Cares Act</u>
<u>10.555</u>	<u>NJ304N1099</u>	<u>National School Lunch Program - Commodities</u>
<u>10.556</u>	<u>NJ304N1099</u>	<u>Special Milk Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? x yes no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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 Circular 15-08-OMB? yes no

Identification of major programs:

GMIS Number(s)

Name of State Program

GMIS Number(s)	Name of State Program
_____	State Aid - Public Cluster: _____
495-034-5120-078	Equalization Aid
495-034-5120-068	School Choice
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Aid
_____	_____

Dollar threshold used to distinguish between type A and type B programs: \$ 895,845

Auditee qualified as low-risk auditee? yes no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

No current year findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No current year findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

No current year findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No prior year findings.

FEDERAL AWARDS

No prior year findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No prior year findings.

