

SCHOOL DISTRICT OF STRATFORD BOROUGH

Stratford, New Jersey
County of Camden

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

STRATFORD BOROUGH SCHOOL DISTRICT

STRATFORD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by

**Stratford Borough School District
Business Office**

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INTRODUCTORY SECTION

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February 5, 2021

Honorable President and Members
of the Board of Education
Borough of Stratford School District
County of Camden, New Jersey

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY

Stratford School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Stratford Board of Education and its two schools constitute the District's reporting entity.

ECONOMIC CONDITION AND OUTLOOK

The Borough of Stratford is a suburban town of 1.6 square miles. Stratford was incorporated as a borough on March 2, 1925. The Borough of Stratford has always been an active, involved community. The Borough of Stratford is home to the Stratford Division of Kennedy Memorial Hospital and University of Dentistry and Medicine of New Jersey. Population census information indicates that the Borough of Stratford has experienced a 3.2% decrease in population based on 7,271 at the 2000 census and 7,040 at the 2010 census.

The Stratford School District provides a full range of educational services appropriate to grade levels PreK through 8. The District completed the 2019-20 year with an enrollment of 864 students, which is 10 students more than the previous school year.

The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2010-11	831	+0.50
2011-12	782	-3.49
2012-13	805	+2.94
2013-14	847	+5.22
2014-15	859	+1.37
2015-16	834	-2.92
2016-17	867	+3.84
2017-18	832	-4.03
2018-19	854	+2.64
2019-20	864	+1.17

ECONOMIC CONDITION AND OUTLOOK

The forecast for student enrollment over the next five years appears to show a small decrease but mostly staying stable as students continue to transfer in and out. Choice enrollment has increased starting with the 2020-21 school year. The five-year phase-in of Hi-Nella students that began with the 2012-13 school year has annually averaged 100 students in grades PreK-8.

The School District continues to face difficult economic situations with its primary funding sources of property tax revenue and state aid (small increase) as the expenditures necessary to provide the excellent education Stratford is known for continue to rise. The 2019-20 general fund budget saw a tax increase of 2.72%. In addition, the district appropriated \$195,486 from fund balance to utilize in 2019-20. Tuition revenue increased due to enrollment number of students from Laurel Springs and Hi-Nella and prior year tuition adjustments. The executive county superintendent approved the budget as submitted. The election of board members took place at the general election in November and newly seated members took office in January. Full-day Kindergarten and hazardous transportation continue to be part of the annual budget as well as expenditures for technology. The School District continues to closely monitor the cost of operations and to look for new funding sources in order to maintain the quality educational services that the School District has been providing and that the students deserve.

EDUCATIONAL PROGRAM

District classrooms are primarily self-contained and the pupils are grouped heterogeneously. Basic Skills instruction in the areas of computation and communications are provided to eligible students. In addition, students are offered programs in art, music, computers, gifted and talented, physical education, reading, language arts, science, health, social studies, library science, and guidance. The District provides individual education plans for pupils who are learning disabled either in self-contained classrooms, in-class support, or resource rooms through various programs – preschool disabilities and preschool disabilities inclusion, autism, learning and/or language disabled and multiple disabilities.

In addition to the variety of instructional programs, other services are provided. Each school has a full time school nurse who provides a full spectrum of services as required by law. Two guidance counselors service the needs of students in both Parkview and Yellin Schools. The District also provides Child Study Team Services, a food service program and with hazardous bus transportation for eligible students.

MAJOR INITIATIVES

The Stratford School District will continue to provide a challenging academic environment during the 2020-21 school year to help deepen and enhance the learning process.

A. Honors Social Studies and Honors Science: This course is available to all 7th and 8th students who meet the criteria that has been designated by the Social Studies Teachers, Science Teachers, and Building Principal. These classes incorporate more challenging reading, writing, and mathematics. The pace is increased and more in-depth topics are covered and discussed. Public speaking is emphasized and students frequently present Projects using 21st Century Technology. Individualized Instruction is also a major component of these newly constructed classes.

B. Google Classroom: Every student in the school now has a Chromebook, 1:1 initiative, allowing teachers to create and share documents via google classroom and these teachers are required to you this wonderful resource on a daily basis in Grades 3-8.

C. Remote Instruction: To help meet the diverse needs of students, teachers will be afforded professional development opportunities to enhance teaching practices as it relates to providing high quality remote instruction. Instructional Strategies such as Screen Cast-O-Matic, Google Slides, Google Forms, Kaizena, Pear Deck, Ed Puzzle, JamBoard, Go Formative, TeacherMade, and Google Break-Out Rooms will be taught by our own teachers to help ensure students success in both the Hybrid and Remote Learning settings.

D. Cross Curricular Collaboration- The Digital Shop Teacher and Media Specialist are using technology and incorporating all content areas not only into their own lessons but giving the content area teachers creative ideas on how to effectively incorporate 21st Century Technology into their lessons in Grades 4-8.

E. Social Media: We are currently set up with two social media accounts that include Twitter and Instagram to showcase students and staff activities in Grades 4-8 on a daily basis as well as staff professional development on a daily basis.

F. Citizens and Students of the Month: We are honoring 2 students per month in Grades K-8 in each category who meet the following criteria; Positive Attitude, Positive Role Model, Responsible, Hard Worker, and Honest. Our goal is to reward more students for having a positive and profound impact on our school on a daily basis.

G. State and Camden County School of Character Initiative: One of our Physical Education Teachers assists us by completing the application process on a yearly basis for both of these prestigious clubs. Our goal is to continue to be awarded the Camden County School of Character, which we have won for 5 straight years, and build upon the emerging state school of character that we were awarded last year.

H. Big Ideas Math Program: We purchased a new K-5 Mathematics Program for the 2020-21 school year. This programs allows us to fully align our curriculum and instruction from K-8. We already have the Big Ideas Program in Grades 6-8 so the transition will now be much smoother.

FINANCIAL INFORMATION

Internal Accounting

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

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

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

Budgetary Controls

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

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

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

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

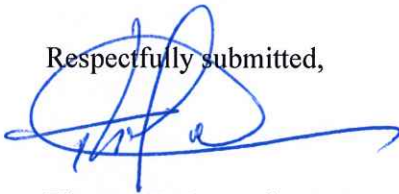
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holt McNally & Associates, Inc. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996; 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.*” The auditor’s report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Stratford 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. And finally, the preparation of this report could not have been accomplished without the efficient and dedicated services of the district office staff.

Respectfully submitted,



Thomas F. Attanasi
Superintendent

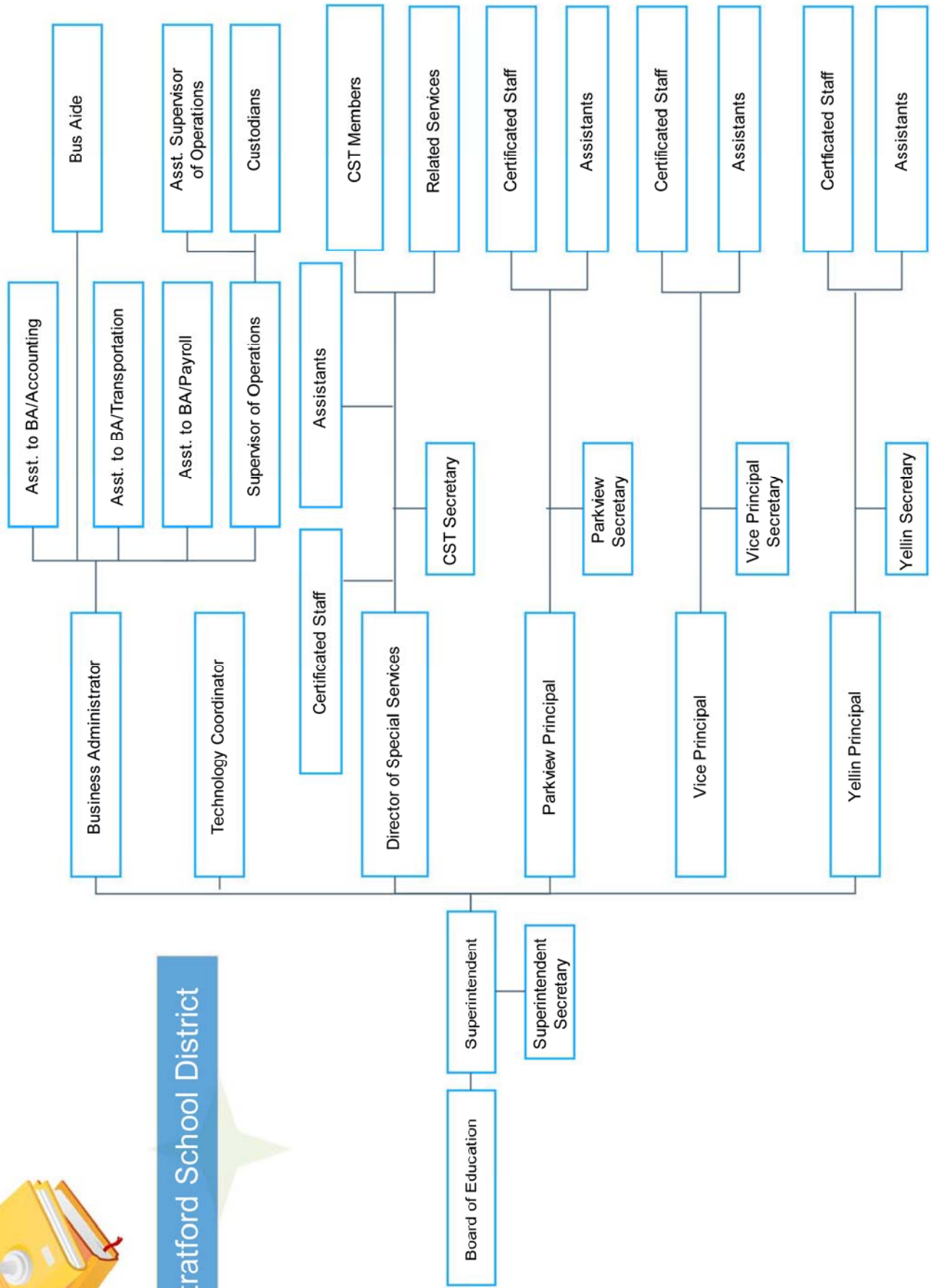


Debra R. Trasatti
Business Administrator/Board Secretary

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Stratford School District



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STRATFORD BOROUGH SCHOOL DISTRICT
111 Warwick Road
Stratford, New Jersey 08084

ROSTER OF OFFICIALS

6/30/2020

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Michael Redfearn, President	2020
Dawn Martin, Vice President	2022
Sue Bove	2022
Mandy Conway	2021
Lori Jones	2021
Stephanie Nelson	2021
Sarah Woldoff	2022
Kim Sims	2020
Melissa Clark	2020

OTHER OFFICIALS

Thomas F. Attanasi, Superintendent

Debra Trasatti, Business Administrator/Board Secretary

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**STRATFORD BOROUGH SCHOOL DISTRICT
STRATFORD, NEW JERSEY**

CONSULTANTS AND ADVISORS

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Stratford School District
County of Camden
Stratford, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Stratford School District, County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Stratford School District, County of Camden, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Stratford School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
February 5, 2021

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

As management of the Stratford Borough School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

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

Financial Analysis of the School District as a Whole

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

Table 1
Summary of Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 4,208,730.08	\$ 2,066,598.68	\$ 2,142,131.40	103.7%
Capital Assets, Net	9,043,883.23	9,407,453.29	(363,570.06)	-3.9%
Total Assets	<u>13,252,613.31</u>	<u>11,474,051.97</u>	1,778,561.34	15.5%
Deferred Outflow of Resources	<u>612,069.93</u>	931,514.58	(319,444.65)	-34.3%
Current and other Liabilities	544,986.33	600,040.94	(55,054.61)	-9.2%
Noncurrent Liabilities	7,040,605.79	7,501,432.18	(460,826.39)	-6.1%
Total Liabilities	<u>7,585,592.12</u>	<u>8,101,473.12</u>	(515,881.00)	-6.4%
Deferred Inflow of Resources	<u>1,376,164.00</u>	1,509,829.00	(133,665.00)	-8.9%
Net Position:				
Net Investment in Capital Asset	5,252,611.61	5,235,904.06	16,707.55	0.3%
Restricted	2,913,329.83	1,550,571.42	1,362,758.41	87.9%
Unrestricted (Deficit)	(3,263,014.32)	(3,992,211.05)	729,196.73	-18.3%
Total Net Position	<u>\$ 4,902,927.12</u>	<u>\$ 2,794,264.43</u>	<u>\$ 2,108,662.69</u>	75.5%

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

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

Table 2
Summary of Changes in Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 151,776.43	\$ 232,649.82	\$ (80,873.39)	-34.8%
Operating Grants & Contributions	4,845,682.35	5,012,849.57	(167,167.22)	-3.3%
General Revenues:				
Property Taxes	7,714,884.00	7,512,077.00	202,807.00	2.7%
Federal & State Aid	5,172,608.72	5,097,469.59	75,139.13	1.5%
Tuition	2,137,663.00	1,743,044.87	394,618.13	22.6%
Other General Revenues	329,094.96	244,143.92	84,951.04	34.8%
Total Revenues	<u>20,351,709.46</u>	<u>19,842,234.77</u>	<u>509,474.69</u>	<u>2.6%</u>
Function/Program Expenditures:				
Regular Instruction	7,034,445.17	6,321,356.62	713,088.55	11.3%
Tuition	317,667.07	743,954.03	(426,286.96)	-57.3%
Student & Instruction Related Services	1,720,755.72	1,832,363.00	(111,607.28)	-6.1%
General Administrative	1,076,831.07	1,121,915.71	(45,084.64)	-4.0%
Plant Operations & Maintenance	1,043,505.35	1,125,665.59	(82,160.24)	-7.3%
Pupil Transportation	484,617.86	573,198.39	(88,580.53)	-15.5%
Unallocated Benefits	5,643,354.64	6,579,874.11	(936,519.47)	-14.2%
Special Schools	-	47,755.00	(47,755.00)	-
Interest & Other Charges	131,350.22	247,517.06	(116,166.84)	-46.9%
Unallocated Depreciation	456,992.68	456,992.68	-	0.0%
Food Service	319,822.99	408,649.14	(88,826.15)	-21.7%
Transfer to Charter Schools	13,704.00	-	13,704.00	100.0%
Total Expenditures	<u>18,243,046.77</u>	<u>19,459,241.33</u>	<u>(1,216,194.56)</u>	<u>-6.2%</u>
Change In Net Position	2,108,662.69	382,993.44	1,725,669.25	450.6%
Net Position - Beginning	2,794,264.43	2,411,270.99	382,993.44	15.9%
Net Position - Ending	<u>\$ 4,902,927.12</u>	<u>\$ 2,794,264.43</u>	<u>\$ 2,108,662.69</u>	<u>75.5%</u>

Governmental Activities

During the fiscal year 2020, the net position of governmental activities increased by \$2,118,455.84 or 85.38%. The primary reason for the increase was due to the decrease expenditures.

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

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$4,599,727,48, with an unrestricted deficit balance of \$(3,465,167.65). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$(3,465,167.65)
Add back: PERS Pension Liability	2,909,671.00
Less: Deferred Outflows related to pensions	(562,896.00)
Add back: Deferred Inflows related to pensions	<u>1,376,164.00</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ 257,771.35</u>

Business-type Activities

During the fiscal year 2020, the net position of business-type activities decreased by \$9,793.15 or 3.1%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$303,199.64.

General Fund Budgeting Highlights

Final budgeted revenues were \$14,830,814.00, which was equal to the original budget. Excluding non-budgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$127,843.59.

Final budgeted appropriations were \$15,301,707.97, which was an increase of \$303,499.97 from the original budget. Excluding non-budgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$2,264,117.09.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$4,186,924.85 at June 30, 2020, an increase of \$1,897,791.80 from the prior year.

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

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,687,605.25, an increase of \$1,849,580.80 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,846,841.80 to \$3,684,865.85 at June 30, 2020, compared to an increase of \$594,543.21 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund were as follows:

- Unspent budget appropriations

Special revenue fund – There was no change in the fund balance for the special revenue fund.

Debt service fund – There was no change in the fund balance for the debt service fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$9,793.15 to \$303,199.64 at June 30, 2020, compared to an increase of \$35,432.82 in fund balance in the prior fiscal year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$9,043,883.23 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$363,570.06. This decrease is primarily due to the revaluation of accumulated depreciation on capital assets. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 2.00	\$ 2.00	\$ -	0.0%
Land Improvements	19,984.08	22,287.98	(2,303.90)	-10.3%
Building and Improvements	8,613,379.78	8,992,943.99	(379,564.21)	-4.2%
Equipment	410,517.37	392,219.32	18,298.05	4.7%
	<u>\$ 9,043,883.23</u>	<u>\$ 9,407,453.29</u>	<u>\$ (363,570.06)</u>	-3.9%

Net depreciation expense for the year was \$471,419.62. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

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

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$3,380,000.00, which is a decrease of \$335,000 from the prior year.

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

Factors on the School District's Future

The following factors were considered and incorporated into the preparation of the School District's budget for the 2020-2021 school year.

- Stratford is not immune to the financial issues that continue to be one of the top national issues. This issue is seen in Stratford by in the consistent increase in the number of students eligible for free or reduced meals. The number of homes for sale and in foreclosure in Stratford have seen a small decline. The district has also noticed an increase in the number of families moving back with family members for financial reasons. The number of families who are homeless under the McKinney-Vento Act continues to be a very small number for the school district compared to other districts in Camden County.
- With election now taking place in November, there is no vote on the budget as long as the tax levy increase is at or under 2%, in addition to any used of Banked CAP, as allowed by law. As such, it was submitted to the ECS for approval.
- The food service program fund balance remains stable due to the well run program through Nutri Serve Food Management. The number of students who qualify for free and reduced meals continues to increase. Breakfast programs offered at both Parkview and Yellin have seen an increase in participation.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Debra Trasatti, Business Administrator at the address below or visit our website at www.stratfordk12.org

Stratford Borough School District
111 Warwick Road
Stratford NJ, 08084
856-784-2917

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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STRATFORD BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 2,176,277.49	\$ 188,797.57	\$ 2,365,075.06
Receivables, Net (Note 4)	758,682.18	12,067.02	770,749.20
Inventory	-	14,178.53	14,178.53
Restricted Cash & Cash Equivalents	1,058,727.29	-	1,058,727.29
Capital Assets, Net (Note 5)			
Non-Depreciable	2.00	-	2.00
Depreciable	8,942,834.92	101,046.31	9,043,881.23
Total Assets	12,936,523.88	316,089.43	13,252,613.31
DEFERED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 8)	562,896.00	-	562,896.00
Related to Loss on Debt Refunding	49,173.93	-	49,173.93
Total Deferred Outflows of Resources	612,069.93	-	612,069.93
Total Assets and Deferred Outflows of Resources	13,548,593.81	316,089.43	13,864,683.24
LIABILITIES			
Accounts Payable	212,523.65	2,275.77	214,799.42
Accrued Interest on Debt	64,395.83	-	64,395.83
Prepaid Lunches	-	10,614.02	10,614.02
Unearned Revenue	93,558.06	-	93,558.06
Due to Other Governments	161,619.00	-	161,619.00
Noncurrent Liabilities (Note 7):			
Due Within One Year	325,691.25	-	325,691.25
Due Beyond One Year	6,714,914.54	-	6,714,914.54
Total Liabilities	7,572,702.33	12,889.79	7,585,592.12
DEFERED INFLOWS OF RESOURCES			
Related to Pensions (Note 8)	1,376,164.00	-	1,376,164.00
Total Deferred Inflows of Resources	1,376,164.00	-	1,376,164.00
Total Liabilities and Deferred Inflows of Resources	8,948,866.33	12,889.79	8,961,756.12
NET POSITION			
Net Investments in Capital Assets	5,151,565.30	101,046.31	5,252,611.61
Restricted For:			
Debt Service	2,739.40	-	2,739.40
Capital Reserve	846,580.00	-	846,580.00
Maintenance Reserve	212,147.29	-	212,147.29
Tuition Reserve	-	-	-
Excess Surplus	1,851,863.14	-	1,851,863.14
Unrestricted (Deficit)	(3,465,167.65)	202,153.33	(3,263,014.32)
Total Net Position	\$ 4,599,727.48	\$ 303,199.64	\$ 4,902,927.12

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

**STRATFORD BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION						
	EXPENSES	PROGRAM REVENUES			GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS				
Governmental Activities:							
Instruction:							
Regular	\$ 4,878,221.67	\$ -	\$ 1,107,387.65	\$ (3,770,834.02)	\$ -	\$ (3,770,834.02)	
Special Education	1,773,016.52	-	-	(1,773,016.52)	-	(1,773,016.52)	
Basic Skill/Remedial Instruction	266,066.16	-	-	(266,066.16)	-	(266,066.16)	
Other Instruction	117,140.82	-	-	(117,140.82)	-	(117,140.82)	
Support Services & Undistributed Costs:							
Tuition	317,667.07	-	-	(317,667.07)	-	(317,667.07)	
Student & Instruction Related Services	1,720,755.72	-	194,609.18	(1,526,146.54)	-	(1,526,146.54)	
School Administrative Services	406,874.94	-	-	(406,874.94)	-	(406,874.94)	
General & Business Administrative Services	669,956.13	-	-	(669,956.13)	-	(669,956.13)	
Plant Operations & Maintenance	1,043,505.35	-	-	(1,043,505.35)	-	(1,043,505.35)	
Pupil Transportation	484,617.86	-	-	(484,617.86)	-	(484,617.86)	
Unallocated Benefits	5,643,354.64	-	3,385,432.11	(2,257,922.53)	-	(2,257,922.53)	
Interest and Charges on Long-Term Debt	131,350.22	-	-	(131,350.22)	-	(131,350.22)	
Transfer to Charter Schools	13,704.00	-	-	(13,704.00)	-	(13,704.00)	
Unallocated Depreciation	456,992.68	-	-	(456,992.68)	-	(456,992.68)	
Total Governmental Activities	17,923,223.78	-	4,687,428.94	(13,235,794.84)	-	(13,235,794.84)	

**STRATFORD BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				TOTAL
	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	319,822.99	151,776.43	158,253.41	-	(9,793.15)
Total Business - Type Activities	319,822.99	151,776.43	158,253.41	-	(9,793.15)
Total Primary Government	18,243,046.77	151,776.43	4,845,682.35	(13,235,794.84)	(13,245,587.99)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				7,258,770.00	7,258,770.00
Taxes Levied for Debt Service				456,114.00	456,114.00
Federal & State Aid Not Restricted				5,172,608.72	5,172,608.72
Tuition Received				2,137,663.00	2,137,663.00
Miscellaneous Income				338,665.87	338,665.87
Cancellation of Prior Year Accounts Receivable				(9,570.91)	(9,570.91)
Total General Revenues & Transfers				15,354,250.68	15,354,250.68
Change In Net Position					(9,793.15)
Net Position - Beginning					312,992.79
Net Position - Ending					303,199.64
					\$ 4,902,927.12

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

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B. Fund Financial Statements

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Governmental Funds

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**STRATFORD BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
Assets:				
Cash & Cash Equivalents	\$ 2,067,402.11	\$ 106,135.98	\$ 2,739.40	\$ 2,176,277.49
Receivables:				
State	139,272.06	31,069.07	-	170,341.13
Federal	-	155,046.45	-	155,046.45
Other	433,294.60	-	-	433,294.60
Due from Other Funds	84,403.98	-	-	84,403.98
Restricted Cash & Cash Equivalents	1,058,727.29	-	-	1,058,727.29
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 3,783,100.04	\$ 292,251.50	\$ 2,739.40	\$ 4,078,090.94
Liabilities & Fund Balances:				
Liabilities:				
Accounts Payable	\$ 16,302.12	\$ -	\$ -	\$ 16,302.12
Intergovernmental Payable - State	-	201,322.38	-	201,322.38
Interfund Payable	557.07	78,746.06	-	79,303.13
Unearned Revenue	81,375.00	12,183.06	-	93,558.06
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	98,234.19	292,251.50	-	390,485.69
Fund Balances:				
Restricted for:				
Capital Reserve Account	846,580.00	-	-	846,580.00
Maintenance Reserve	212,147.29	-	-	212,147.29
Excess Surplus	1,005,505.14	-	-	1,005,505.14
Excess Surplus - Prior Year Designated for Subsequent Year's Expenditures	846,358.00	-	-	846,358.00
Debt Service Fund	-	-	2,739.40	2,739.40
Committed to:				
Other Purposes	785,988.52	-	-	785,988.52
Designated by the BOE for Subsequent Year's Expenditures	132,128.00	-	-	132,128.00
Unassigned Fund Balance:				
General Fund	(143,841.10)	-	-	(143,841.10)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	3,684,865.85	-	2,739.40	3,687,605.25
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	\$ 3,783,100.04	\$ 292,251.50	\$ 2,739.40	\$ 4,078,090.94

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 \$17,076,869.18 and the accumulated depreciation is \$8,134,032.26. 8,942,836.92

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.

Deferred Outflows related to pensions	562,896.00
Deferred Inflows related to pensions	(1,376,164.00)
Deferred Outflows Related to the Loss on Bond Refunding of Debt	49,173.93

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (7,040,605.79)

Accrued pension contributions for the June 30, 2020 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (161,619.00)

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (64,395.83)

Net position of Governmental Activities \$ 4,599,727.48

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

**STRATFORD BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
Revenues:				
Local Sources:				
Local Tax Levy	\$ 7,258,770.00	\$ -	\$ 456,114.00	\$ 7,714,884.00
Tuition Charges	2,137,663.00	-	-	2,137,663.00
Transportation Charges	33,279.00	-	-	33,279.00
Miscellaneous	304,016.87	1,370.00	-	305,386.87
Total Local Sources	9,733,728.87	1,370.00	456,114.00	10,191,212.87
State Sources	7,452,873.11	807,334.90	-	8,260,208.01
Federal Sources	7,801.72	493,291.93	-	501,093.65
Total Revenues	17,194,403.70	1,301,996.83	456,114.00	18,952,514.53
Expenditures:				
Current:				
Regular Instruction	3,770,834.02	1,107,387.65	-	4,878,221.67
Special Education Instruction	1,773,016.52	-	-	1,773,016.52
Basic Skills/Remedial - Instruction	266,066.16	-	-	266,066.16
Other Instruction	117,140.82	-	-	117,140.82
Support Services & Undistributed Costs:				
Tuition	317,667.07	-	-	317,667.07
Student & Instruction Related Services	1,539,672.54	181,083.18	-	1,720,755.72
School Administrative Services	406,874.94	-	-	406,874.94
General & Business Administrative Services	669,956.13	-	-	669,956.13
Plant Operations & Maintenance	1,043,505.35	-	-	1,043,505.35
Pupil Transportation	484,617.86	-	-	484,617.86
Unallocated Benefits	2,525,808.91	-	-	2,525,808.91
On Behalf TPAF Pension and Social Security Contributions	2,286,696.11	-	-	2,286,696.11
Capital Outlay	94,323.56	13,526.00	-	107,849.56
Debt Service:				
Principal	-	-	335,000.00	335,000.00
Interest & Other Charges	28,107.00	-	118,375.00	146,482.00
Total Expenditures	15,324,286.99	1,301,996.83	453,375.00	17,079,658.82
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	1,870,116.71	-	2,739.00	1,872,855.71
Other Financing Sources/(Uses):				
Operating Transfer Out	(9,570.91)	-	-	(9,570.91)
Transfer to Charter Schools	(13,704.00)	-	-	(13,704.00)
Total Other Financing Sources & Uses	(23,274.91)	-	-	(23,274.91)
Net Change in Fund Balances	1,846,841.80	-	2,739.00	1,849,580.80
Fund Balance - July 1	1,838,024.05	-	0.40	1,838,024.45
Fund Balance - June 30	\$ 3,684,865.85	\$ -	\$ 2,739.40	\$ 3,687,605.25

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

**STRATFORD BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,849,580.80

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. When capital outlays and other adjustments exceed depreciation, the difference is an addition in the reconciliation (+); when depreciation and other adjustments exceed capital outlays the difference is a reduction to the reconciliation (-)

	Depreciation Expense	\$ (456,992.68)	
	Capital Outlays	<u>107,849.56</u>	(349,143.12)

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. 96,161.00

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

	Serial Bonds		335,000.00
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Governmental funds report the effect of premiums, and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

	Prior Year	456,549.23	
	Current Year	<u>(411,271.62)</u>	45,277.61

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 (+). (30,145.83)

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 (+). 171,725.38

Change in Net Position of Governmental Activities \$ 2,118,455.84

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

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Proprietary Funds

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STRATFORD BOROUGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>	TOTAL
Current Assets:		
Cash & Cash Equivalents	\$ 188,797.57	\$ 188,797.57
Accounts Receivable		
State	97.02	97.02
Federal	10,054.80	10,054.80
Other	1,915.20	1,915.20
Inventories	14,178.53	14,178.53
	<hr/>	<hr/>
Total Current Assets	215,043.12	215,043.12
Noncurrent Assets:		
Furniture, Machinery & Equipment	278,531.40	278,531.40
Less: Accumulated Depreciation	(177,485.09)	(177,485.09)
	<hr/>	<hr/>
Total Noncurrent Assets	101,046.31	101,046.31
	<hr/>	<hr/>
Total Assets	316,089.43	316,089.43
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities:		
Unearned Revenue	10,614.02	10,614.02
Interfund Payable	2,275.77	2,275.77
	<hr/>	<hr/>
Total Liabilities	12,889.79	12,889.79
	<hr/>	<hr/>
NET POSITION		
Net Investments in Capital Assets	101,046.31	101,046.31
Unrestricted	202,153.33	202,153.33
	<hr/>	<hr/>
Total Net Position	\$ 303,199.64	\$ 303,199.64
	<hr/>	<hr/>

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

**STRATFORD BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 AS OF JUNE 30, 2020**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	
	<u>FOOD SERVICE</u>	<u>TOTAL</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 45,299.99	\$ 45,299.99
Daily Sales - Nonreimbursable Programs	14,299.24	14,299.24
Special Functions	271.28	271.28
Miscellaneous	91,905.92	91,905.92
	<hr/>	<hr/>
Total Operating Revenues	151,776.43	151,776.43
	<hr/>	<hr/>
Operating Expenses:		
Salaries & Benefits	117,866.34	117,866.34
Supplies & Materials	7,300.12	7,300.12
Cost of Sales - Reimbursable Programs	94,100.45	94,100.45
Cost of Sales - Non-Reimbursable Programs	26,756.14	26,756.14
Depreciation	14,426.94	14,426.94
Purchaed Professional Services	35,692.02	35,692.02
Miscellaneous	23,680.98	23,680.98
	<hr/>	<hr/>
Total Operating Expenses	319,822.99	319,822.99
	<hr/>	<hr/>
Operating Income/(loss)	(168,046.56)	(168,046.56)
	<hr/>	<hr/>
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	2,393.40	2,393.40
Federal Sources:		
National School Lunch Program	109,100.51	109,100.51
National School Breakfast Program	31,535.91	31,535.91
Food Distribution Program	15,223.59	15,223.59
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	158,253.41	158,253.41
	<hr/>	<hr/>
Income/(Loss) Before Contributions & Transfers	(9,793.15)	(9,793.15)
	<hr/>	<hr/>
Change in Net Position	(9,793.15)	(9,793.15)
Total Net Position - Beginning	312,992.79	312,992.79
	<hr/>	<hr/>
Total Net Position - Ending	\$ 303,199.64	\$ 303,199.64
	<hr/> <hr/>	<hr/> <hr/>

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

**STRATFORD BOROUGH SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>	
	FOOD SERVICE	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 154,680.70	\$ 154,680.70
Payments to Employees	(117,866.34)	(117,866.34)
Payments to Suppliers	(172,306.12)	(172,306.12)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(135,491.76)	(135,491.76)
	<hr/>	<hr/>
Cash Flows From Noncapital Financing Activities:		
State & Federal Sources	159,790.96	159,790.96
	<hr/>	<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities	159,790.96	159,790.96
	<hr/>	<hr/>
Cash Flows From Investing Activities:		
Net Cash Provided/(Used) by Investing Activities	-	-
	<hr/>	<hr/>
Net Cash Provided/(Used) by Investing Activities	-	-
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	24,299.20	24,299.20
Balances - Beginning of Year	164,498.37	164,498.37
	<hr/>	<hr/>
Balances - End of Year	\$ 188,797.57	\$ 188,797.57
	<hr/>	<hr/>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	\$ (168,046.56)	\$(168,046.56)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation & Net Amortization	14,426.94	14,426.94
Food Distribution Program	15,223.59	15,223.59
Changes in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	27,361.93	27,361.93
(Increase)/Decrease in Prepaid Lunches	(8,380.57)	(8,380.57)
(Increase)/Decrease in Inventories	(5,820.88)	(5,820.88)
Increase/(Decrease) in Current Liabilities	(10,256.21)	(10,256.21)
	<hr/>	<hr/>
Total Adjustments	32,554.80	32,554.80
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (135,491.76)	\$(135,491.76)
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The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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STRATFORD BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE BENEFITS TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 60,195.93	\$ 14,560.13	\$ 70,674.56	\$ -	\$ 145,430.62
Due from General	-	-	-	557.07	557.07
Total Assets	60,195.93	14,560.13	70,674.56	557.07	145,987.69
LIABILITIES					
Cash Deficit	-	-	-	557.07	557.07
Accounts Payable	894.68	-	-	-	894.68
Due to Student Groups	-	-	70,674.56	-	70,674.56
Interfund Payable	-	3,382.15	-	-	3,382.15
Total Liabilities	894.68	3,382.15	70,674.56	557.07	75,508.46
NET POSITION					
Restricted for:					
Unemployment Claims	59,301.25	-	-	-	59,301.25
Flexible Benefit Claims	-	11,177.98	-	-	11,177.98
Total Net Position	\$ 59,301.25	\$ 11,177.98	\$ -	\$ -	\$ 70,479.23

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

STRATFORD BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

ADDITIONS	PRIVATE PURPOSE		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE BENEFITS TRUST	
Local Sources:			
Contributions from Employees	\$ 26,093.33	\$ 26,790.00	\$ 52,883.33
Total Additions	26,093.33	26,790.00	52,883.33
DEDUCTIONS			
Quarterly Contributions Reports	9,020.36	-	9,020.36
Flexible Spending Claimes	-	23,783.00	23,783.00
Total Deductions	9,020.36	23,783.00	32,803.36
Change in Net Position	17,072.97	3,007.00	20,079.97
Net Position - Beginning of the Year	42,228.28	8,170.98	50,399.26
Net Position - End of the Year	\$ 59,301.25	\$ 11,177.98	\$ 70,479.23

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

STRATFORD BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Borough of Stratford School District (hereafter referred to as the “District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ 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 K through 8 at its two schools. Students in grades 9 through 12 attend the Sterling High School District. In addition, the School District provides educational services for students received on a tuition basis in grades 7 and 8 from the Laurel Springs School District and in grades Pre-K through 8 from the Hi-Nella School District. Currently, the Laurel Springs School District has a representative who serves on the Stratford Board of Education. Board of Education representatives from the sending district are determined by the executive county superintendent based on enrollment totals. The District has an approximate enrollment at June 30, 2020 of 864 students.

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

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

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

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, and GASB 80, Blending Requirements for certain component units – and Amendment of GASB Statement No. 14. The District had no component units as of or for the year ended June 30, 2020.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The District currently has no activity in this fund.

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

The District reports the following major proprietary funds:

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

Additionally, the District reports the following major fiduciary funds:

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

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Flexible Spending– Revenues consist of employee contributions. Expenditures consist of distributions to employees for qualified claims..

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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

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

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

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

Inventories

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

Interfund Receivables/Payables

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

Capital Assets

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

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

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

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

Interfund Activity

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

Fund Balance

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2020.
- **Assigned** – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

Bond Premiums, Discounts and Issuance Costs

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

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

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

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

Deferred Loss on Refunding Debt

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2020, the District's bank balance of \$4,132,284.31 was exposed to custodial credit risk as follows:

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 2. Cash Deposits and Investments

Insured under FDIC and GUDPA	\$ 3,986,618.38
Uninsured and Uncollateralized	<u>145,665.93</u>
	<u><u>\$ 4,132,284.31</u></u>

Investments

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

Note 3. Reserve Accounts

A. Capital Reserve

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

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

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

Beginning Balance, July 1, 2019	\$ 346,580.00
Increased by:	
Deposits approved by Board	<u>500,000.00</u>
Ending Balance, June 30, 2020	<u><u>\$ 846,580.00</u></u>

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

B. Maintenance Reserve Account

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

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 3. Reserve Accounts (continued)

B. Maintenance Reserve Account (continued)

resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

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

Beginning Balance, July 1, 2019	\$	162,147.29
Increased by:		
Deposits approved by Board		50,000.00
Ending Balance, June 30, 2020	\$	212,147.29

Note 4. Accounts Receivable

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

<u>Description</u>	Governmental Funds			Proprietary Funds	
	<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 \$	-	\$ 155,046.45	\$ 155,046.45	\$ 10,054.80	\$ 10,054.80
State Awards	139,272.06	31,069.07	170,341.13	97.02	97.02
Other	433,294.60	-	433,294.60	1,915.20	1,915.20
Total	\$ 572,566.66	\$ 186,115.52	\$ 758,682.18	\$ 12,067.02	\$ 12,067.02

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 5. Capital Assets

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

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2020</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2.00	\$ -	\$ -	\$ 2.00
Total Capital Assets not being depreciated	<u>2.00</u>	<u>-</u>	<u>-</u>	<u>2.00</u>
Capital Assets being depreciated:				
Land Improvements	387,807.00	-	-	387,807.00
Buildings and Improvements	15,060,352.45	-	-	15,060,352.45
Equipment	1,520,858.17	107,849.56	-	1,628,707.73
Total Capital Assets being depreciated	<u>16,969,017.62</u>			<u>17,076,867.18</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(365,519.02)	(2,303.90)	-	(367,822.92)
Land Improvements	(6,067,408.46)	(379,564.21)	-	(6,446,972.67)
Equipment	(1,244,112.10)	(75,124.57)	-	(1,319,236.67)
Total Accumulated Depreciation	<u>(7,677,039.58)</u>	<u>(456,992.68)</u>	<u>-</u>	<u>(8,134,032.26)</u>
Total Capital Assets being depreciated, net	<u>9,291,978.04</u>	<u>(456,992.68)</u>	<u>-</u>	<u>8,942,834.92</u>
Total Governmental Activities Capital Assets, net	<u>\$ 9,291,980.04</u>	<u>\$ (456,992.68)</u>	<u>\$ -</u>	<u>\$ 8,942,836.92</u>
	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2020</u>
Business-Type Activities:				
Equipment	\$ 278,531.40	\$ -	\$ -	\$ 278,531.40
	<u>278,531.40</u>	<u>-</u>	<u>-</u>	<u>278,531.40</u>
Less: Accumulated Depreciation:				
Equipment	(163,058.15)	(14,426.94)	-	(177,485.09)
	<u>(163,058.15)</u>	<u>(14,426.94)</u>	<u>-</u>	<u>(177,485.09)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 115,473.25</u>	<u>\$ (14,426.94)</u>	<u>\$ -</u>	<u>\$ 101,046.31</u>

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 6. Interfund Receivables, Payables and Transfers

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 84,403.98	\$ 557.07
Special Revenue Fund	-	78,746.06
Food Service Fund	-	2,275.77
Payroll Fund	557.07	-
Flexible Benefits Fund	-	3,382.15
	<u>\$ 84,961.05</u>	<u>\$ 84,961.05</u>

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

Note 7. Long-Term Obligations

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

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,715,000.00	\$ -	\$ 335,000.00	\$ 3,380,000.00	\$ 275,000.00
Unamortized Bond Premiums	511,136.81	-	50,691.25	460,445.56	50,691.25
Compensated Absences	462,214.62	-	171,725.38	290,489.24	-
Net Pension Liability	3,198,772.00	-	289,101.00	2,909,671.00	-
	<u>\$ 7,887,123.43</u>	<u>\$ -</u>	<u>\$ 846,517.63</u>	<u>\$ 7,040,605.80</u>	<u>\$ 325,691.25</u>

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

A. Bonds Payable:

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 and refunding bonds.

On August 1, 2009, the School District issued \$5,206,000 General Obligation Bonds. The purpose of the Bonds is to finance the construction of an addition as well as various improvements and renovations at the Yellin School and various improvements and renovations at the Parkview School and to acquire the necessary equipment and undertake any associated site work. The Bonds maturing prior to August 1, 2020 are not subject to optional redemption. The Bonds maturing on or after August 1, 2020 are redeemable at the option of the Board, in whole or in part, on any date on or after August 1, 2019. The Bonds were refunding during May of 2019 with a final maturity on August 1, 2020.

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 7. Long-Term Obligations

A. Bonds Payable (continued):

On May 5, 2019, the School District issued \$3,415,000 Refunding School Bonds. The purpose of the Bonds is to refund the callable portion of the outstanding 2009 Bond Issue. The Refunding Bonds generated \$366,000 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$292,365.76, or a net annual present value savings of 7.73%. The Refunding Bonds were issued at interest rates varying from 2.00% to 5.00% and mature on August 1, 2029.

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

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2021	275,000.00	150,425.00	\$ 425,425.00
2022	285,000.00	140,600.00	425,600.00
2023	300,000.00	128,900.00	428,900.00
2024	310,000.00	116,700.00	426,700.00
2025	325,000.00	102,375.00	427,375.00
2026-2030	1,885,000.00	243,875.00	2,128,875.00
	<u>\$ 3,380,000.00</u>	<u>\$ 882,875.00</u>	<u>\$ 4,262,875.00</u>

Bonds Authorized But Not Issued:

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

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 8. Pension Plans (continued):

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

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

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$2,909,671 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2019, was 0.0161482597%, which was a decrease of 0.0000978203% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$62,137 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 52,225	\$ 12,854
Changes of Assumptions	290,541	1,009,938
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	45,930
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	58,511	307,442
School District Contributions Subsequent to Measurement Date	161,619	\$ -
	\$ 562,896	\$ 1,376,164

\$161,619 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2020	\$ (193,592)
2021	(336,225)
2022	(296,320)
2023	(136,134)
2024	(12,620)
	\$ (974,891)

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

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

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

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

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

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

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

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ 3,700,956	\$ 2,909,671	\$ 2,280,200

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

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

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

Balances at June 30, 2020 and June 30, 2019

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Net Pension Liability	18,143,832,135	19,689,501,539
 District's portion of the Plan's total Net Pension Liability	 0.01615%	 0.01625%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 8. Pension Plans (continued)

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

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

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

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$37,244,880. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0606881330%, which was an increase of .0004332192% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the School District recognized \$2,196,803 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2019 measurement date.

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

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

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
TPAF Employer Number - 545's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability	<u>43,919,957</u>	<u>37,244,880</u>	<u>31,706,674</u>
	<u>\$ 43,919,957</u>	<u>\$ 37,244,880</u>	<u>\$ 31,706,674</u>

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

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

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 10,129,162,237	\$ 12,675,037,111
Collective Deferred Inflows of Resources	17,736,240,054	16,381,811,884
Collective Net Pension Liability	61,519,112,443	63,806,350,446
School District's portion	0.05837%	0.05582%

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2019, employee contributions totaled \$15,817 and the District recognized pension expense of \$9,367.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued):

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

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

Inflation Rate: 2.5%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

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

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

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2019 was \$27,145,193. The School District’s proportionate share was \$0.

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued):

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.06505%, which was an increase of 0.00098% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$741,113 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2019 measurement date.

Health Care Trend Assumptions

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

Discount Rate

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

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

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

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 32,069,200	\$ 27,145,193	\$ 23,233,832
State of New Jersey's Total Non- employer Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued):

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

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

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 22,366,429	\$ 27,145,193	\$ 33,471,295
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

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

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

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 9. Other Post-Retirement Benefits (continued):

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

Plan Membership

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

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

Changes in the Total OPEB Liability

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

Total OPEB Liability

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2019, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,341,506, \$446,662, \$497,674 and \$854, respectively.

Note 11. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ -	\$ 26,093.33	\$ -	\$ 9,020.36	\$ 59,301.25
2018-2019	-	23,130.54	-	14,365.58	42,228.28
2017-2018	-	11,875.79	-	6,102.98	33,463.32

Joint Insurance Fund – The School District is a member of the New Jersey School Boards Association Insurance Fund. The Fund provides its members with the following coverage:

- Property (Including Crime and Auto Physical Damage)
- General Liability
- Automobile Liability
- Workers’ Compensation
- School Board Legal Liability
- Boiler and Machinery
- Pollution/Environmental Legal Liability
- Cyber Liability

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2019, which can be obtained from:

New Jersey Schools Insurance Group
450 Veterans Drive
Burlington, New Jersey 08016

**BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 12. Contingencies

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

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

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

American Fund/Capital Guardian
Ameriprise Financial Services, Inc.
AXA Equitable Life Insurance Companies
ING – Reliastar Life Insurance Co.
Lincoln Investment Planning
MetLife
Syracusa Benefits Program
Vanguard Fiduciary Trust Co.

Note 15. Compensated Absences

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

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

**BOROUGH OF STRATFORD SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020**

Note 15. Compensated Absences (continued)

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2020 is \$290,489.

Note 16. Tax Abatements

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

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

Note 17. Operating Leases

The School District had operating lease agreements in effect for copy machines. Total lease payments made during the year ended June 30, 2019 amounted to \$26,576. Future minimum lease payments are as follows:

Fiscal Year Ending	
<u>June 30,</u>	
2021	<u>1,213.80</u>
Total Minimum Lease Payments	<u><u>\$ 1,213.80</u></u>

Note 18. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 was \$1,005,505.14.

BOROUGH OF STRATFORD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 19. Fund Balance

General Fund – Of the \$3,684,865.85 General Fund fund balance at June 30, 2020, \$846,580.00 has been reserved in the Capital Reserve Account; \$212,147.29 has been reserved in the Maintenance Reserve Account; \$1,005,505.14 is restricted for current year excess surplus; \$846,358.00 is restricted for excess surplus – designated for subsequent year’s expenditures; \$785,988.52 has been assigned for other purposes; \$132,128.00 has been assigned - designated for subsequent year’s expenditures and \$(143,841.10) is unassigned.

Debt Service Fund – Of the \$2,739.40 Debt Service Fund fund balance at June 30, 2020, \$2,739.40 is restricted for future debt service.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$(3,465,167.65) at June 30, 2020. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2020.

Note 21. Deficit Fund Balances

The School District has a deficit fund balance of \$(143,841.10) in the General Fund 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, 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. 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 payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) 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 fund statements (modified accrual basis) of \$143,841.10 is less than the last state aid payment.

Note 21. Subsequent Events

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

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year. The Stratford Borough School District’s state aid was reduced by \$227,541. In order to make up for this decrease in aid, the School District has decreased appropriations in the amount of \$227,541.

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

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 7,258,770.00	\$ -	\$ 7,258,770.00	\$ 7,258,770.00	\$ -
Tuition from Other Sources	10-1340	2,137,663.00	-	2,137,663.00	2,137,663.00	-
Transportation Fees from Other LEAs	10-1420	33,279.00	-	33,279.00	33,279.00	-
Miscellaneous	10-1990	246,461.00	-	246,461.00	304,016.87	57,555.87
Total Local Sources		\$9,676,173	-	9,676,173.00	9,733,728.87	57,555.87
State Sources:						
Extraordinary Aid	10-3000-000-000	20,000.00	-	20,000.00	114,872.00	94,872.00
School Choice Aid	10-3116-000-000	235,217.00	-	235,217.00	235,217.00	-
Categorical Special Education Aid	10-3132-000-000	437,575.00	-	437,575.00	437,575.00	-
Equalization Aid	10-3176-000-000	4,086,736.00	-	4,086,736.00	4,086,736.00	-
Categorical Security Aid	10-3177-000-000	137,797.00	-	137,797.00	137,797.00	-
Categorical Transportation Aid	10-3121-000-000	202,610.00	-	202,610.00	202,610.00	-
Other State Aid	10-3190-000-000	-	-	-	2,320.00	2,320.00
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	1,341,506.00	1,341,506.00
On-Behalf TPAF Medical Contributions		-	-	-	497,674.00	497,674.00
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	854.00	854.00
Reimbursed TPAF Social Contributions		-	-	-	446,662.11	446,662.11
Total State Sources		5,119,935.00	-	5,119,935.00	7,503,823.11	2,383,888.11
Federal Sources:						
Medicaid Reimbursement	10-4200	34,706.00	-	34,706.00	7,801.72	(26,904.28)
Total Federal Sources		34,706.00	-	34,706.00	7,801.72	(26,904.28)
Total Revenues		14,830,814.00	-	14,830,814.00	17,245,353.70	2,414,539.70
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	-	-	-	-	-
Kindergarten	11-110-100-101	343,582.00	759.98	344,341.98	330,805.16	13,536.82
Grades 1 - 5	11-120-100-101	1,876,535.00	158,719.95	2,035,254.95	1,969,776.42	65,478.53
Grades 6 - 8	11-130-100-101	1,251,280.00	24,674.25	1,275,954.25	1,192,420.15	83,534.10
Home Instruction:						
Salaries of Teachers	11-150-100-101	12,000.00	-	12,000.00	6,204.00	5,796.00
Purchased Professional - Educational Services	11-150-100-320	55,000.00	(42,776.00)	12,224.00	6,502.80	5,721.20
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services	11-190-100-320	3,500.00	(500.00)	3,000.00	885.82	2,114.18
Other Purchased Services	11-190-100-500	106,524.00	(8,241.60)	98,282.40	90,462.00	7,820.40
General Supplies	11-190-100-610	234,489.00	108,608.98	343,097.98	172,834.17	170,263.81
Other Objects	11-190-100-800	2,400.00	(332.00)	2,068.00	943.50	1,124.50
Total Regular Programs - Instruction		3,885,310.00	240,913.56	4,126,223.56	3,770,834.02	355,389.54
Special Education:						
Learning & Language Disabilities:						
Salaries of Teachers	11-204-100-101	723,515.00	(3,398.24)	720,116.76	720,107.01	9.75
Other Salaries for Instruction	11-204-100-106	81,800.00	(14,043.95)	67,756.05	54,530.51	13,225.54
Purchased Professional - Educational Services	11-204-100-320	224,000.00	47,976.61	271,976.61	212,109.90	59,866.71
General Supplies	11-204-100-610	6,524.00	0.20	6,524.20	5,800.59	723.61
Total Learning & Language Disabilities		1,035,839.00	30,534.62	1,066,373.62	992,548.01	73,825.61

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

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	90,764.00	-	90,764.00	88,400.61	2,363.39
Other Salaries for Instruction	11-212-100-106	49,900.00	2,127.89	52,027.89	48,623.65	3,404.24
Purchased Professional - Educational Services	11-212-100-320	53,250.00	(1,764.69)	51,485.31	31,953.77	19,531.54
General Supplies	11-212-100-610	15,000.00	-	15,000.00	13,368.66	1,631.34
Other Objects	11-212-100-800	800.00	-	800.00	285.39	514.61
Total Multiple Disabilities		209,714.00	363.20	210,077.20	182,632.08	27,445.12
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	262,280.00	(3,500.00)	258,780.00	258,780.00	-
Other Salaries for Instruction	11-213-100-106	25,000.00	9,012.86	34,012.86	27,955.90	6,056.96
Purchased Professional - Educational Services	11-213-100-320	10,000.00	503.40	10,503.40	2,386.79	8,116.61
General Supplies	11-213-100-610	584.00	(0.54)	583.46	355.71	227.75
Total Resource Room/Resource Center		297,864.00	6,015.72	303,879.72	289,478.40	14,401.32
Autism:						
Salaries of Teachers	11-214-100-101	83,439.00	-	83,439.00	75,850.64	7,588.36
Other Salaries for Instruction	11-214-100-106	43,300.00	-	43,300.00	33,454.31	9,845.69
Purchased Professional-Educational Services	11-214-100-320	29,000.00	9,696.23	38,696.23	35,285.97	3,410.26
General Supplies	11-214-100-610	2,398.00	2,024.70	4,422.70	3,608.74	813.96
Other Objects	11-214-100-800	500.00	-	500.00	307.88	192.12
Total Autism		158,637.00	11,720.93	170,357.93	148,507.54	21,850.39
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	118,777.00	(3,500.00)	115,277.00	111,977.00	3,300.00
Other Salaries for Instruction	11-215-100-106	38,000.00	5,947.37	43,947.37	43,947.37	-
Purchased Professional - Educational Services	11-215-100-320	4,500.00	(876.43)	3,623.57	1,596.04	2,027.53
General Supplies	11-215-100-600	3,338.00	28.10	3,366.10	2,135.08	1,231.02
Other Objects	11-215-100-800	1,000.00	-	1,000.00	195.00	805.00
Total Preschool Disabilities - Part-Time		165,615.00	1,599.04	167,214.04	159,850.49	7,363.55
Total Special Education		1,867,669.00	50,233.51	1,917,902.51	1,773,016.52	144,885.99
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	169,689.00	(35,330.06)	134,358.94	133,390.94	968.00
Purchased Professional - Educational Services	11-230-100-320	10,000.00	4,945.60	14,945.60	8,012.90	6,932.70
General Supplies	11-230-100-610	5,278.00	(0.12)	5,277.88	4,703.26	574.62
Total Basic Skills/Remedial		184,967.00	(30,384.58)	154,582.42	146,107.10	8,475.32
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	150,670.00	0.18	150,670.18	116,523.94	34,146.24
Purchased Professional-Educational Services	11-240-100-320	10,000.00	1,773.60	11,773.60	946.80	10,826.80
General Supplies	11-240-100-610	3,411.00	-	3,411.00	2,488.32	922.68
Total Bilingual Education - Instruction		164,081.00	1,773.78	165,854.78	119,959.06	45,895.72
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	62,800.00	1,865.00	64,665.00	62,183.00	2,482.00
Purchased Services	11-401-100-500	400.00	-	400.00	385.00	15.00
Supplies and Materials	11-401-100-600	5,000.00	-	5,000.00	1,823.43	3,176.57
Other Objects	11-401-100-800	600.00	-	600.00	-	600.00
Total School Sponsored Cocurricular Activities		68,800.00	1,865.00	70,665.00	64,391.43	6,273.57
School-Sponsored Athletics-Instruction:						
Salaries	11-402-100-100	36,500.00	-	36,500.00	36,312.00	188.00
Purchased Services (300-500 series)	11-402-100-500	12,400.00	-	12,400.00	8,797.03	3,602.97
Supplies and Material	11-402-100-600	10,000.00	-	10,000.00	7,640.36	2,359.64
Other Objects	11-402-100-800	400.00	-	400.00	-	400.00
Total School Sponsored Athletics-Instruction		59,300.00	-	59,300.00	52,749.39	6,550.61
Total Instruction		6,230,127.00	264,401.27	6,494,528.27	5,927,057.52	567,470.75

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

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's -State Regular	11-000-100-561	30,000.00	7,093.89	37,093.89	32,935.67	4,158.22
Tuition to Other LEA's - State Special	11-000-100-562	20,000.00	4,115.15	24,115.15	24,115.15	-
Tuition to County Special Services & Day Schools	11-000-100-565	269,900.00	(122,290.93)	147,609.07	62,699.34	84,909.73
Tuition to Private Schools for the Handicapped - S	11-100-100-566	273,000.00	20,244.62	293,244.62	197,916.91	95,327.71
Total Undistributed Expenditures - Instruction		592,900.00	(90,837.27)	502,062.73	317,667.07	184,395.66
Attendance & Social Work Services:						
Salaries of Teachers	11-000-211-100	20,000.00	-	20,000.00	20,000.00	-
Total Attendance & Social Work Services		20,000.00	-	20,000.00	20,000.00	-
Health Services:						
Salaries	11-000-213-100	171,703.00	-	171,703.00	167,129.00	4,574.00
Purchased Professional & Technical Services	11-000-213-300	15,000.00	2,225.00	17,225.00	3,711.50	13,513.50
Supplies and Materials	11-000-213-600	4,036.00	24.38	4,060.38	3,325.61	734.77
Other Objects	11-000-213-800	730.00	-	730.00	360.70	369.30
Total Health Services		191,469.00	2,249.38	193,718.38	174,526.81	19,191.57
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	236,888.00	3,660.83	240,548.83	239,279.08	1,269.75
Purchased Professional - Educational Services	11-000-216-320	78,000.00	4,617.70	82,617.70	81,323.32	1,294.38
Supplies and Materials	11-000-216-600	2,859.00	24.10	2,883.10	2,231.52	651.58
Other Objects	11-000-216-800	1,420.00	488.00	1,908.00	1,267.00	641.00
Total Other Support Services - Students - Related Services		319,167.00	8,790.63	327,957.63	324,100.92	3,856.71
Other Support Services - Special Education - Extraordinary Services:						
Salaries	11-000-217-100	92,400.00	-	92,400.00	48,575.54	43,824.46
Purchased Professional - Educational Services	11-000-217-320	498,000.00	(34,390.19)	463,609.81	207,990.83	255,618.98
Total Other Support Services - Special Education - Extraordinary Services		590,400.00	(34,390.19)	556,009.81	256,566.37	299,443.44
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	209,606.00	0.40	209,606.40	140,035.20	69,571.20
Supplies and Materials	11-000-218-600	1,419.00	24.38	1,443.38	974.04	469.34
Total Other Support Services - Students- Regular		211,025.00	24.78	211,049.78	141,009.24	70,040.54
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	272,167.00	9,826.80	281,993.80	280,969.48	1,024.32
Salaries of Secretarial & Clerical Assistants	11-000-219-105	52,105.00	0.12	52,105.12	52,105.12	-
Other Salaries	11-000-219-110	8,000.00	-	8,000.00	3,599.73	4,400.27
Purchased Professional -Education Services	11-000-219-320	36,800.00	1,172.00	37,972.00	14,825.38	23,146.62
Purchased Professional - Technical Services	11-000-219-390	20,000.00	-	20,000.00	12,433.14	7,566.86
Other Purchased Services	11-000-219-500	2,500.00	(776.04)	1,723.96	1,051.96	672.00
Supplies and Materials	11-000-219-600	11,181.00	1,647.88	12,828.88	10,881.84	1,947.04
Other Objects	11-000-219-800	1,050.00	1,649.90	2,699.90	2,500.00	199.90
Total Other Support Services - Students Special Services		403,803.00	13,520.66	417,323.66	378,366.65	38,957.01

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

ACCOUNT NUMBERS	JUNE 30, 2020				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Improvement of Instruction Services/Other Support Services - Instruction Staff (continued):						
Salaries of Other Professional Staff	11-000-221-104	9,000.00	-	9,000.00	1,945.50	7,054.50
Other Salaries	11-000-221-110	90,574.00	5,058.69	95,632.69	95,632.69	-
Purchased Professional - Educational Services	11-000-221-320	24,250.00	(3,845.50)	20,404.50	20,404.50	-
Supplies and Materials	11-000-221-600	1,000.00	-	1,000.00	-	1,000.00
Other Objects	11-000-221-800	200.00	-	200.00	-	200.00
Total Improvement of Instruction Services/ Other Support Services Instructional Staff		125,024.00	1,213.19	126,237.19	117,982.69	8,254.50
Educational Media Services/School Library:						
Salaries	11-000-222-100	113,837.00	(0.14)	113,836.86	113,836.86	-
Purchased Professional and Technical Services	11-000-222-300	2,000.00	(814.34)	1,185.66	783.00	402.66
Other Purchased Services	11-000-222-500	1,500.00	-	1,500.00	1,051.96	448.04
Supplies and Materials	11-000-222-600	4,820.00	863.10	5,683.10	5,306.04	377.06
Other Objects	11-000-222-800	50.00	-	50.00	-	50.00
Total Educational Media Services/Library		122,207.00	48.62	122,255.62	120,977.86	1,277.76
Instructional Staff Training Services:						
Purchased Professional - Other Purchased Services	11-000-223-500	10,000.00	265.00	10,265.00	6,142.00	4,123.00
Supplies & Materials	11-000-223-600	100.00	-	100.00	-	100.00
Total Instructional Staff Training Services		10,100.00	265.00	10,365.00	6,142.00	4,223.00
Support Services General Administration:						
Salaries	11-000-230-100	207,174.00	300.04	207,474.04	207,474.00	0.04
Legal Services	11-000-230-331	15,000.00	6,004.00	21,004.00	7,657.00	13,347.00
Audit Fees	11-000-230-332	30,000.00	-	30,000.00	24,638.00	5,362.00
Other Purchased Professional Services	11-000-230-339	8,750.00	-	8,750.00	5,585.00	3,165.00
Communications/Telephone	11-000-230-530	44,000.00	6,969.63	50,969.63	24,819.89	26,149.74
BOE Other Purchased Services	11-000-230-585	4,000.00	-	4,000.00	3,353.72	646.28
Other Purchased Services	11-000-230-590	32,150.00	41.88	32,191.88	31,124.72	1,067.16
General Supplies	11-000-230-610	6,000.00	35,875.41	41,875.41	2,783.22	39,092.19
BOE In-House Training/Meeting Supplies	11-000-230-630	500.00	-	500.00	-	500.00
Miscellaneous Expenditures	11-000-230-890	5,000.00	-	5,000.00	2,640.00	2,360.00
BOE Membership Dues & Fees	11-000-230-895	6,250.00	(164.40)	6,085.60	6,072.40	13.20
Total Support Services General Administration		358,824.00	49,026.56	407,850.56	316,147.95	91,702.61
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	232,905.00	6,672.85	239,577.85	239,577.85	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	141,030.00	164.40	141,194.40	139,573.73	1,620.67
Unused Vacation Payments to Terminated/Retired	11-000-240-199	15,050.00	(0.09)	15,049.91	9,657.06	5,392.85
Other Purchased Services	11-000-240-500	5,750.00	971.74	6,721.74	4,627.83	2,093.91
Supplies and Materials	11-000-240-600	15,000.00	4,208.64	19,208.64	10,055.47	9,153.17
Other Objects	11-000-240-800	5,000.00	(675.82)	4,324.18	3,383.00	941.18
Total Support Services School Administration		414,735.00	11,341.72	426,076.72	406,874.94	19,201.78
Central Services:						
Salaries	11-000-251-100	199,672.00	8,087.16	207,759.16	207,759.16	-
Miscellaneous Purchased Services	11-000-251-592	23,000.00	60,371.72	83,371.72	20,291.69	63,080.03
Supplies and Materials	11-000-251-600	10,000.00	(2,470.27)	7,529.73	4,007.23	3,522.50
Miscellaneous Expenditures	11-000-251-890	2,500.00	(1,297.92)	1,202.08	1,202.08	-
Total Central Services		235,172.00	64,690.69	299,862.69	233,260.16	66,602.53
Administrative Information Technology:						
Salaries	11-000-252-100	85,650.00	12,472.00	98,122.00	95,122.00	3,000.00
Purchased Technical Services	11-000-252-340	41,525.00	(7,196.50)	34,328.50	25,328.50	9,000.00
Supplies and Materials	11-000-252-600	275.00	8,218.36	8,493.36	97.52	8,395.84
Total Administrative Information Technology		127,450.00	13,493.86	140,943.86	120,548.02	20,395.84
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	31,947.00	(3,540.15)	28,406.85	11,946.72	16,460.13
Cleaning, Repair & Maintenance Services	11-000-261-420	158,100.00	28,280.84	186,380.84	116,025.98	70,354.86
General Supplies	11-000-261-610	16,125.00	9,474.22	25,599.22	11,308.26	14,290.96
Total Allowable Maintenance for School Facilities		206,172.00	34,214.91	240,386.91	139,280.96	101,105.95

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

ACCOUNT NUMBERS	JUNE 30, 2020				ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Operation & Maintenance of Plant Services & School Facilities:						
Salaries	11-000-262-100	422,993.00	(15,405.29)	407,587.71	393,317.37	14,270.34
Purchased Professional & Technical Services	11-000-262-300	5,600.00	-	5,600.00	4,279.00	1,321.00
Cleaning, Repair & Maintenance Services	11-000-262-420	55,000.00	(3,895.00)	51,105.00	36,264.10	14,840.90
Other Purchased Property Services	11-000-262-490	34,500.00	3,000.00	37,500.00	32,655.77	4,844.23
Insurance	11-000-262-520	70,600.00	-	70,600.00	63,440.61	7,159.39
Miscellaneous Purchased Services	11-000-262-590	1,500.00	-	1,500.00	-	1,500.00
General Supplies	11-000-262-610	77,500.00	(24,645.20)	52,854.80	32,854.80	20,000.00
Energy (Natural Gas)	11-000-262-621	30,000.00	1,819.78	31,819.78	24,767.57	7,052.21
Energy (Electricity)	11-000-262-622	185,000.00	(8,207.89)	176,792.11	173,795.23	2,996.88
Energy (Gasoline)	11-000-262-626	2,000.00	153.06	2,153.06	901.04	1,252.02
Other Objects	11-000-262-800	500.00	400.00	900.00	510.00	390.00
Total Operation & Maintenance of Plant Services & School Facilities		885,193.00	(46,780.54)	838,412.46	762,785.49	75,626.97
Security:						
Salaries	11-000-266-100	85,000.00	-	85,000.00	76,423.97	8,576.03
Other Purchased Professional Technical Services	11-000-266-300	76,000.00	-	76,000.00	65,014.93	10,985.07
Total Security		161,000.00	-	161,000.00	141,438.90	19,561.10
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Sp Ed	11-000-270-161	62,040.00	36,499.51	98,539.51	95,499.43	3,040.08
Salaries for Pupil Transportation (Other than Between Home & School)	11-000-270-162	3,000.00	-	3,000.00	-	3,000.00
Cleaning, Repair, Maint. Services	11-000-270-420	3,000.00	10,008.51	13,008.51	7,688.59	5,319.92
Rental Payments- School Buses	11-000-270-442	36,000.00	(5,000.00)	31,000.00	29,250.00	1,750.00
Contracted Services Aid in Liue NP Schools	11-000-270-503	8,000.00	3,000.00	11,000.00	8,566.37	2,433.63
Contracted Services Aid in Liue of Payments (Charter)	11-000-270-504	1,000.00	-	1,000.00	-	1,000.00
Contracted Services Aid in Liue of Payments (Choice)	11-000-270-505	3,000.00	-	3,000.00	-	3,000.00
Contracted Services (Between Home & School) - Vendors	11-000-270-511	238,000.00	(6,385.60)	231,614.40	217,497.62	14,116.78
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	16,350.00	(480.00)	15,870.00	6,928.00	8,942.00
Contracted Services (Special Education Students) - Vendors	11-000-270-514	5,000.00	555.60	5,555.60	5,555.60	-
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-515	1,500.00	-	1,500.00	-	1,500.00
Contracted Services (ESCs & CTAs)	11-000-270-518	366,800.00	(11,500.00)	355,300.00	94,816.33	260,483.67
Misc. Purchased Svc.- Transp.	11-000-270-593	14,600.00	2,160.00	16,760.00	15,389.73	1,370.27
General Supplies	11-000-270-610	8,700.00	-	8,700.00	3,426.19	5,273.81
Total Student Transportation Services		766,990.00	28,858.02	795,848.02	484,617.86	311,230.16
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	160,000.00	2,807.78	162,807.78	150,710.90	12,096.88
Other Retirement Contribution - PERS	11-000-291-241	170,000.00	(1,708.07)	168,291.93	157,774.00	10,517.93
Other Retirement Contribution - Regular	11-000-291-249	16,000.00	-	16,000.00	15,198.79	801.21
Workmen's Compensation	11-000-291-260	120,000.00	-	120,000.00	115,599.89	4,400.11
Health Benefits	11-000-291-270	2,111,343.00	(162,626.72)	1,948,716.28	1,847,627.78	101,088.50
Tuition Reimbursements	11-000-291-280	36,000.00	(16,191.08)	19,808.92	17,933.92	1,875.00
Other Employee Benefits	11-000-291-290	165,700.00	(3,324.84)	162,375.16	133,332.48	29,042.68
Unused Sick Payments	11-000-291-299	67,500.00	72,582.71	140,082.71	87,631.15	52,451.56
Total Unallocated Benefits - Employee Benefits		2,846,543.00	(108,460.22)	2,738,082.78	2,525,808.91	212,273.87

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

ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Nonbudgeted:					
On-Behalf TPAF Pension Contributions	-	-	-	1,341,506.00	(1,341,506.00)
On-Behalf TPAF Medical Contributions	-	-	-	497,674.00	(497,674.00)
On-Behalf TPAF Long-Term Disability	-	-	-	854.00	(854.00)
Reimbursed TPAF Social Security Contributions	-	-	-	446,662.11	(446,662.11)
Total Undistributed Expenditures	8,588,174.00	(52,730.20)	8,535,443.80	9,274,798.91	(739,355.11)
Total Expenditures - Current Expense	14,818,301.00	211,671.07	15,029,972.07	15,201,856.43	(171,884.36)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Admin Info Tech. 12-000-252-730	91,800.00	147,523.56	239,323.56	94,323.56	145,000.00
Facilities Acquisition & Construction Services:					
Construction Services 12-000-400-450	60,000.00	(55,694.66)	4,305.34	-	4,305.34
Assessment for Debt Service on SDA Funding 12-000-400-896	28,107.00	-	28,107.00	28,107.00	-
Total Capital Outlay	179,907.00	91,828.90	271,735.90	122,430.56	149,305.34
Total Expenditures	14,998,208.00	303,499.97	15,301,707.97	15,324,286.99	(22,579.02)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)					
	(167,394.00)	(303,499.97)	(470,893.97)	1,921,066.71	2,391,960.68
Other Financing Sources/(Uses):					
Transfer to Chater Schools 10-000-100-56X	(28,092.00)	(2,408.00)	(30,500.00)	(13,704.00)	16,796.00
Cancellation of Prior Year Accounts Receivable	-	-	-	(9,570.91)	(9,570.91)
Total Other Financing Sources/(Uses)	(28,092.00)	(2,408.00)	(30,500.00)	(23,274.91)	7,225.09
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)					
	(195,486.00)	(305,907.97)	(501,393.97)	1,897,791.80	2,399,185.77
Fund Balances, July 1	2,289,133.05	-	2,289,133.05	2,289,133.05	-
Fund Balances, June 30	2,093,647.05	(305,907.97)	1,787,739.08	4,186,924.85	2,399,185.77

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	305,907.97
Total	305,907.97

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	846,580.00
Maintenance Reserve	212,147.29
Excess Surplus - Designated for Subsequent Year	846,358.00
Excess Surplus	1,005,505.14
Assigned Fund Balance:	
Year End Encumbrances	785,988.52
Designated for Subsequent Year's Expenditures	132,128.00
Unassigned Fund Balance	
	358,217.90
Subtotal	4,186,924.85
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(502,059.00)
Fund Balance per Governmental Funds (GAAP)	3,684,865.85

**STRATFORD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:					
State Sources	\$ 487,400.00	\$ 250,613.00	\$ 738,013.00	\$ 653,733.06	\$ (84,279.94)
Federal Sources	351,700.00	75,731.00	427,431.00	493,291.93	65,860.93
Local Sources	6,500.00	4,052.00	10,552.00	1,370.00	(9,182.00)
Total Revenues	845,600.00	330,396.00	1,175,996.00	1,148,394.99	(27,601.01)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	70,400.00	44,073.00	114,473.00	114,473.00	-
Salaries of Aides	37,400.00	(37,400.00)	-	-	-
Purchased Professional Educational Services	440,000.00	243,230.00	683,230.00	588,992.72	94,237.28
Other Purchased Services	211,000.00	18,910.00	229,910.00	215,703.00	14,207.00
General Supplies	24,200.00	1,824.00	26,024.00	18,595.38	7,428.62
Textbooks	15,400.00	677.00	16,077.00	16,021.71	55.29
Total Instruction	798,400.00	271,314.00	1,069,714.00	953,785.81	115,928.19
Support Services:					
Employee Benefits	19,100.00	26,959.00	46,059.00	50,894.40	(4,835.40)
Purchased Professional Services	21,600.00	144,558.59	166,158.59	122,818.78	43,339.81
Other Purchased Services	-	6,000.00	6,000.00	6,000.00	-
General Supplies	6,500.00	7,552.19	14,052.19	1,370.00	12,682.19
Total Support Services	47,200.00	185,069.78	232,269.78	181,083.18	51,186.60
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	-	13,526.00	13,526.00	13,526.00	-
Total Facilities Acquisition & Construction Services	-	13,526.00	13,526.00	13,526.00	-
Total Expenditures	845,600.00	469,909.78	1,315,509.78	1,148,394.99	167,114.79
Total Outflows	845,600.00	469,909.78	1,315,509.78	1,148,394.99	167,114.79
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/ (Uses)	\$ -	\$ (139,513.78)	\$ (139,513.78)	\$ -	\$ 139,513.78

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**STRATFORD BOROUGH 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**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 17,245,353.70	\$ 1,148,394.99
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	153,601.84
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	451,109.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(502,059.00)	-
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	\$ 17,194,403.70	\$ 1,301,996.83
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 15,324,286.99	\$ 1,148,394.99
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	153,601.84
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 15,324,286.99	\$ 1,301,996.83

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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**STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.01615%	0.01625%	0.01691%	0.01753%	0.01971%	0.01730%	0.01804%
School District's proportionate share of the net pension liability	\$ 2,909,671.00	\$ 3,198,722.00	\$ 3,936,828.00	\$ 5,190,816.00	\$ 4,425,306.00	\$ 3,238,813.00	\$ 3,447,049.00
School District's covered payroll	\$ 1,075,426.00	\$ 1,082,526.00	\$ 1,106,584.00	\$ 1,116,842.00	\$ 1,156,408.00	\$ 1,180,952.00	\$ 1,270,768.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	270.56%	295.49%	355.76%	464.78%	382.68%	274.25%	271.26%
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%

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

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

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

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 157,075.00	\$ 149,045.00	\$ 161,596.00	\$ 156,671.00	\$ 155,702.00	\$ 169,484.00	\$ 142,609.00
Contributions in relation to the contractually required contribution	(157,075.00)	(149,045.00)	(161,596.00)	(156,671.00)	(155,702.00)	(169,484.00)	(142,609.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,075,426.00	\$ 1,082,526.00	\$ 1,106,584.00	\$ 1,116,842.00	\$ 1,156,408.00	\$ 1,180,952.00	\$ 1,270,768.00
Contributions as a percentage of covered-employee payroll	14.61%	13.77%	14.60%	14.03%	13.46%	14.35%	11.22%

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

**STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 37,244,880.00	\$ 38,332,882.00	\$ 37,526,495.00	\$ 43,669,843.00	\$ 35,626,160.00	\$ 28,245,623.00	\$ 25,418,706.00
School District's covered payroll	\$ 37,244,880.00	\$ 38,332,882.00	\$ 37,526,495.00	\$ 43,669,843.00	\$ 35,626,160.00	\$ 28,245,623.00	\$ 25,418,706.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	586.47%	611.29%	510.63%	652.08%	537.39%	430.57%	416.51%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

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

	2020	2019	2018
Total OPEB Liability Associated with the District			
Service Cost	1,086,336.00	1,195,313.00	1,443,124.00
Interest Cost	1,169,880.00	1,239,834.00	1,071,630.00
Differences Between Expected and Actual	(4,250,753.00)	(2,553,528.00)	-
Changes of Assumptions	404,737.00	(3,390,272.00)	(4,477,935.00)
Contributions: Member	24,701.00	27,303.00	28,840.00
Gross Benefit Payments	(833,276.00)	(789,984.00)	(783,225.00)
Net Change in Total OPEB Liability Associated with the District	(2,398,375.00)	(4,271,334.00)	(2,717,566.00)
Total OPEB Liability Associated with the District (Beginning)	29,543,568.00	33,814,902.00	36,532,468.00
Total OPEB Liability Associated with the District (Ending)	27,145,193.00	29,543,568.00	33,814,902.00
District's Covered Employee Payroll	7,426,068.00	7,353,370.00	8,455,668.00
Net OPEB Liability Associated with the District as a Percentage of Payroll	366%	402%	400%

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

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

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**STRATFORD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	I.D.E.A. - PART B		NO CHILD LEFT BEHIND			
	BASIC REGULAR PROGRAM	PRESCHOOL INCENTIVE PROGRAM	TITLE I	TITLE II PART A	TITLE III	TITLE IV
Revenues:						
Federal Sources	\$ 288,384.06	\$ 1,000.00	\$ 161,234.38	\$ 16,653.30	\$ 7,649.19	\$ 18,371.00
Total Revenues	<u>\$ 288,384.06</u>	<u>\$ 1,000.00</u>	<u>\$ 161,234.38</u>	<u>\$ 16,653.30</u>	<u>\$ 7,649.19</u>	<u>\$ 18,371.00</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ -	\$ 114,473.00	\$ -	\$ -	\$ -
Purchased Professional Educational Services	-	-	-	4,567.90	-	-
Other Purchased Services (400-500 Series)	214,703.00	1,000.00	-	-	-	-
General Supplies	-	-	702.38	-	2,215.87	4,845.00
Total Instruction	<u>214,703.00</u>	<u>1,000.00</u>	<u>115,175.38</u>	<u>4,567.90</u>	<u>2,215.87</u>	<u>4,845.00</u>
Support Services:						
Personal Services - Employee Benefits	-	-	46,059.00	4,835.40	-	-
Purchased Educational Services	73,681.06	-	-	1,250.00	5,433.32	-
Other Purchased Services (400-500 Series)	-	-	-	6,000.00	-	-
Total Support Services	<u>73,681.06</u>	<u>-</u>	<u>46,059.00</u>	<u>12,085.40</u>	<u>5,433.32</u>	<u>-</u>
Facilities Acquisition & Construction Services:						
Non-Instructional Equipment	-	-	-	-	-	13,526.00
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,526.00</u>
Total Expenditures	<u>\$ 288,384.06</u>	<u>\$ 1,000.00</u>	<u>\$ 161,234.38</u>	<u>\$ 16,653.30</u>	<u>\$ 7,649.19</u>	<u>\$ 18,371.00</u>

**STRATFORD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	NON PUBLIC SECURITY AID	NON PUBLIC CH. 193 HANDICAPPED	NON PUBLIC TEXTBOOK	NON PUBLIC NURSING	NON PUBLIC CH. 192 AUXILIARY
Revenues:					
State Sources	\$ 42,454.40	\$ 157,316.82	\$ 16,021.71	\$ 20,771.29	\$ 406,336.71
Total Revenues	<u>\$ 42,454.40</u>	<u>\$ 157,316.82</u>	<u>\$ 16,021.71</u>	<u>\$ 20,771.29</u>	<u>\$ 406,336.71</u>
Expenditures:					
Instruction:					
Purchased Professional Educational Services	\$ -	\$ 157,316.82	\$ -	\$ 20,771.29	\$ 406,336.71
Textbooks	-	-	16,021.71	-	-
Total Instruction	<u>-</u>	<u>157,316.82</u>	<u>16,021.71</u>	<u>20,771.29</u>	<u>406,336.71</u>
Support Services:					
Purchased Professional Educational Services	42,454.40	-	-	-	-
Total Support Services	<u>42,454.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 42,454.40</u>	<u>\$ 157,316.82</u>	<u>\$ 16,021.71</u>	<u>\$ 20,771.29</u>	<u>\$ 406,336.71</u>

**STRATFORD BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	NON PUBLIC TECHNOLOGY	SAFETY GRANT	TOTAL
Revenues:			
Local Sources	\$ -	\$ 1,370.00	\$ 1,370.00
State Sources	10,832.13	-	653,733.06
Federal Sources	-	-	493,291.93
	<hr/>		
Total Revenues	\$ 10,832.13	\$ 1,370.00	\$ 1,148,394.99
	<hr/> <hr/>		
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ 114,473.00
Purchased Professional Educational Services	-	-	588,992.72
Other Purchased Services (400-500 Series)	-	-	215,703.00
General Supplies	10,832.13	-	18,595.38
Textbooks	-	-	16,021.71
	<hr/>		
Total Instruction	10,832.13	-	953,785.81
	<hr/>		
Support Services:			
Personal Services - Employee Benefits	-	-	50,894.40
Purchased Educational Services	-	-	122,818.78
Other Purchased Services (400-500 Series)	-	-	6,000.00
General Supplies	-	1,370.00	1,370.00
	<hr/>		
Total Support Services	-	1,370.00	181,083.18
	<hr/>		
Facilities Acquisition & Construction Services:			
Non-Instructional Equipment	-	-	13,526.00
	<hr/>		
Total Facilities Acquisition & Construction Services	-	-	13,526.00
	<hr/>		
Total Expenditures	\$ 10,832.13	\$ 1,370.00	\$ 1,148,394.99
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F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

This section has been included on Exhibit B-4, B-5 & B-6

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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STRATFORD BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

ASSETS	PRIVATE PURPOSE TRUST FUNDS		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE BENEFITS TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 60,195.93	\$ 14,560.13	\$ 70,674.56	\$ -	\$ 145,430.62
Due from General	-	-	-	557.07	557.07
Total Assets	60,195.93	14,560.13	70,674.56	557.07	145,987.69
LIABILITIES					
Cash Deficit	-	-	-	557.07	557.07
Accounts Payable	894.68	-	-	-	894.68
Interfund Payable	-	3,382.15	-	-	3,382.15
Due to Student Groups	-	-	70,674.56	-	70,674.56
Total Liabilities	894.68	3,382.15	70,674.56	557.07	75,508.46
NET POSITION					
Held in Trust For:					
Unemployment Claims	59,301.25	-	-	-	59,301.25
Scholarships	-	11,177.98	-	-	11,177.98
Total Net Position	\$ 59,301.25	\$ 11,177.98	\$ -	\$ -	\$ 70,479.23

STRATFORD BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIVATE PURPOSE TRUST FUNDS</u>		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	FLEXIBLE BENEFITS TRUST	
ADDITIONS			
Contributions:			
Plan Member	\$ 26,093.33	\$ 26,790.00	\$ 52,883.33
Total Additions	<u>26,093.33</u>	<u>26,790.00</u>	<u>52,883.33</u>
DEDUCTIONS			
Unemployment Claims	9,020.36	-	9,020.36
Flexible Spending Claims	-	23,783.00	23,783.00
Total Deductions	<u>9,020.36</u>	<u>23,783.00</u>	<u>32,803.36</u>
Change in Net Position	17,072.97	3,007.00	20,079.97
Net Position - Beginning of the Year	<u>42,228.28</u>	<u>8,170.98</u>	<u>50,399.26</u>
Net Position - End of the Year	<u>\$ 59,301.25</u>	<u>\$ 11,177.98</u>	<u>\$ 70,479.23</u>

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

	BALANCE JULY 1, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2020
Schools:				
Yellin School	\$ 70,555.28	\$ 61,251.22	\$ 72,973.14	\$ 58,833.36
Parkview School	10,001.16	11,892.68	10,052.64	11,841.20
Total Schools	<u>\$ 80,556.44</u>	<u>\$ 73,143.90</u>	<u>\$ 83,025.78</u>	<u>\$ 70,674.56</u>

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

	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
ASSETS				
Cash & Cash Equivalents	\$ 90,298.43	\$ 9,040,144.09	\$ 9,130,442.52	\$ -
Due from General	-	557.07	-	557.07
Total Assets	<u>\$ 90,298.43</u>	<u>\$ 9,040,701.16</u>	<u>\$ 9,130,442.52</u>	<u>\$ 557.07</u>
LIABILITIES				
Payroll Deductions & Withholding	\$ 85,835.94	\$ 4,101,472.55	\$ 4,187,308.49	\$ -
Net Payroll	-	4,938,671.54	4,938,671.54	-
Interfunds Payable	4,462.49	-	4,462.49	-
Cash Defecit	-	557.07	-	557.07
Total Liabilities	<u>\$ 90,298.43</u>	<u>\$ 9,040,701.16</u>	<u>\$ 9,130,442.52</u>	<u>\$ 557.07</u>

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I. Long-Term Debt

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**STRATFORD BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2020**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2019	ISSUED	RETIRED	BALANCE JUNE 30, 2020
Renovations & Additions to Yellin & Parkview Schools	12/12/09	5,206,000.00	8/1/2019	\$ 300,000.00	3.25%	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -
2019 Refunding Bonds	3/21/2019	3,415,000.00	8/1/2020	275,000.00	3.00%	3,415,000.00	-	35,000.00	3,380,000.00
			8/1/2021	285,000.00	4.00%				
			8/1/2022	300,000.00	4.00%				
			8/1/2023	310,000.00	4.00%				
			8/1/2024	325,000.00	5.00%				
			8/1/2025	345,000.00	5.00%				
			8/1/2026	360,000.00	5.00%				
			8/1/2027	375,000.00	5.00%				
			8/1/2028	395,000.00	5.00%				
			8/1/2029	410,000.00	5.00%				
Total						\$ 3,715,000.00	\$ -	\$ 335,000.00	\$ 3,380,000.00

**STRATFORD BOROUGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 456,115.00	\$ -	\$ 456,115.00	\$ 456,114.00	\$ (1.00)
Total Revenues	456,115.00	-	456,115.00	456,114.00	(1.00)
Expenditures:					
Regular Debt Service:					
Interest	156,115.00	(35,000.00)	121,115.00	118,375.00	2,740.00
Redemption of Principal	300,000.00	35,000.00	335,000.00	335,000.00	-
Total Expenditures	456,115.00	-	456,115.00	453,375.00	2,740.00
Other Financing Sources/(Uses):					
Proceeds on Refunding Bonds					
Deposit on Refunding Escrow	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	2,739.00	(2,741.00)
Fund Balance, July 1	0.40	-	0.40	0.40	-
Fund Balance, June 30	\$ 0.40	\$ -	\$ 0.40	\$ 2,739.40	\$ (2,741.00)

STATISTICAL SECTION (Unaudited)

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STRATFORD BOROUGH SCHOOL DISTRICT
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	\$ 5,151,565.30	\$ 5,120,430.81	\$ 5,275,718.45	\$ 5,374,698.13	\$ 5,556,177.71	\$ 5,660,971.07	\$ 5,913,028.87	\$ 6,024,715.02	\$ 6,235,005.00	\$ 6,516,573.00
Restricted	2,730,611.71	1,550,571.42	1,347,871.80	1,660,676.21	1,358,352.24	1,466,748.31	1,291,583.24	715,975.32	800,895.00	643,738.00
Unrestricted	(3,465,167.65)	(4,189,730.59)	(4,509,204.43)	(4,376,531.28)	(4,197,486.49)	(3,943,710.35)	(435,158.25)	(451,666.22)	(196,908.00)	(198,425.00)
Total Governmental Activities	\$ 4,417,009.36	\$ 2,481,271.64	\$ 2,114,385.82	\$ 2,658,843.06	\$ 2,717,043.46	\$ 3,184,009.03	\$ 6,769,453.86	\$ 6,289,024.12	\$ 6,838,992.00	\$ 6,961,886.00
Business-Type Activities:										
Net Investment in Capital Assets	\$ 101,046.31	\$ 115,473.25	\$ 112,299.19	\$ 127,888.13	\$ 113,706.67	\$ 94,342.31	\$ 104,623.19	\$ 114,904.07	\$ 93,369.00	\$ 83,292.00
Unrestricted	202,153.33	197,519.54	184,585.98	170,788.79	171,995.70	243,113.22	193,648.94	177,357.48	173,406.00	161,193.00
Total Business-Type Activities	\$ 303,199.64	\$ 312,992.79	\$ 296,885.17	\$ 298,676.92	\$ 285,702.37	\$ 337,455.53	\$ 298,272.13	\$ 292,261.55	\$ 266,775.00	\$ 244,485.00
Government-Wide:										
Net Investment in Capital Assets	\$ 5,252,611.61	\$ 5,235,904.06	\$ 5,388,017.64	\$ 5,502,586.26	\$ 5,669,884.38	\$ 5,755,313.38	\$ 6,017,652.06	\$ 6,139,619.09	\$ 6,328,374.00	\$ 6,599,865.00
Restricted	2,730,611.71	1,550,571.42	1,347,871.80	1,660,676.21	1,358,352.24	1,466,748.31	1,291,583.24	715,975.32	800,895.00	643,738.00
Unrestricted	(3,263,014.32)	(3,992,211.05)	(4,324,618.45)	(4,205,742.49)	(4,025,490.79)	(3,700,597.13)	(241,509.31)	(274,308.74)	(23,502.00)	(37,232.00)
Total Government-Wide Net Position	\$ 4,720,209.00	\$ 2,794,264.43	\$ 2,411,270.99	\$ 2,957,519.98	\$ 3,002,745.83	\$ 3,521,464.56	\$ 7,067,725.99	\$ 6,581,285.67	\$ 7,105,767.00	\$ 7,206,371.00

STRAITFORD BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 4,878,221.67	\$ 7,609,789.51	\$ (4,657,163.29)	\$ (4,549,952.12)	\$ (4,137,390.84)	\$ (4,255,502.32)	\$ (3,881,412.27)	\$ (3,925,411.86)	\$ (3,058,873.00)	\$ (3,532,686.00)
Special Education	1,773,016.52	2,995,339.91	(1,539,180.40)	(1,526,357.58)	(1,449,938.47)	(1,301,261.79)	(1,319,593.84)	(1,167,349.57)	(1,726,308.00)	(1,149,012.00)
Bilingual Education	266,066.16	-	-	-	-	-	-	-	-	-
Other Instruction	117,140.82	754,088.59	(629,677.45)	(624,159.27)	(688,561.27)	(602,776.78)	(576,274.96)	(478,066.12)	(430,590.00)	(289,404.00)
Support Services:										
Tuition	317,667.07	1,021,114.80	(1,084,400.93)	(787,394.94)	(850,707.82)	(684,119.38)	(452,128.04)	(501,840.83)	(534,273.00)	(526,988.00)
Student & Instruction Related										
Services	1,720,755.72	2,515,011.55	(1,693,462.84)	(1,513,927.64)	(1,467,952.55)	(1,482,852.36)	(1,266,446.47)	(1,193,005.96)	(1,284,715.00)	(1,204,662.00)
School Administrative Services	406,874.94	433,678.91	(447,668.97)	(419,925.09)	(419,605.39)	(421,434.15)	(460,211.86)	(462,651.39)	(452,463.00)	(445,653.00)
General & Business Administrative										
Services	669,956.13	355,453.72	(713,435.43)	(732,628.71)	(684,620.99)	(805,987.94)	(748,498.24)	(761,143.53)	(601,799.00)	(618,616.00)
Central Services		184,375.39	-	-	2.00	-	-	-	-	-
Administrative Information Services		566,378.45	-	-	2.00	-	-	-	-	-
Plant Operations & Maintenance	1,043,505.35	1,533,345.32	(973,127.62)	(1,005,645.45)	(1,001,941.62)	(1,043,345.61)	(933,802.58)	(901,780.35)	(983,646.00)	(896,258.00)
Pupil Transportation	484,617.86	786,743.99	(539,731.61)	(480,501.61)	(520,865.10)	(466,033.94)	(335,789.42)	(368,120.88)	(375,469.00)	(380,183.00)
Employee Benefits			(7,637,439.13)	(6,873,538.05)	(5,636,300.76)	(4,615,882.24)	(3,037,725.55)	(3,139,599.49)	(2,675,982.00)	(2,486,885.00)
On-Behalf TPAF Pension and Social Security Contributions										
Special Schools		47,755.00	(44,699.00)	(18,891.00)	-	(18,432.00)	(67,249.00)	-	-	30,829.00
Interest on Long-Term Debt	131,350.22	247,517.06	(169,985.84)	(205,162.62)	(212,199.08)	(219,892.84)	(378,455.86)	(257,951.16)	(262,263.00)	(216,858.00)
Revaluation of Fixed Assets							647,073.00	-	-	-
Security			(54,201.57)	(71,336.07)	-	-	-	-	-	-
Transfer to Charter Schools	13,704.00	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	456,992.68	-	(456,992.68)	(427,575.38)	(453,865.90)	(485,818.67)	(481,811.89)	(434,132.24)	(434,045.00)	(351,097.00)
Total Governmental Activities Expenses	17,923,223.78	19,050,592.19	(20,641,166.76)	(19,238,995.73)	(17,543,949.79)	(16,403,340.02)	(13,989,399.98)	(13,665,802.38)	(12,820,426.00)	(12,098,302.00)
Business-Type Activities:										
Food Service	319,822.99	389,323.94	(407,440.20)	(389,602.91)	(439,445.94)	(322,944.49)	(333,944.59)	(309,553.15)	(284,035.00)	(265,045.00)
Summer Drama Camp	-	18,118.23	(13,611.00)	(13,058.50)	(11,988.38)	(10,608.47)	(10,509.85)	(9,892.88)	(10,102.00)	(8,966.00)
Summer Technology Camp	-	1,187.87	(3,229.50)	(2,583.60)	(4,832.78)	-	-	-	-	-
Summer Music Lessons	-	19.10	(347.95)	(322.95)	-	-	-	-	-	-
Total Business-Type Activities Expense	319,822.99	408,649.14	(424,628.75)	(405,567.96)	(456,267.10)	(333,552.96)	(344,454.44)	(319,446.03)	(294,137.00)	(274,011.00)
Total District Expenses	\$ 18,243,046.77	\$ 19,459,241.33	\$ (21,065,795.51)	\$ (19,644,563.69)	\$ (18,000,216.89)	\$ (16,736,892.98)	\$ (14,283,854.42)	\$ (13,985,248.41)	\$ (13,114,565.00)	\$ (12,372,313.00)

STRAITFORD BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues:										
Instruction (Tuition)		\$ 1,927,655.22	\$ 2,171,359.28	\$ 1,705,913.08	\$ 2,046,649.39	\$ 1,594,433.24	\$ 635,463.17	\$ 587,319.00	\$ 564,718.00	
Support Services- Tuition		29,349.00	27,886.00	29,520.89	24,425.58	38,221.47	-	-	-	
Operating Grants & Contributions	4,687,428.94	4,820,742.63	4,588,597.29	4,084,942.42	3,617,445.99	3,216,663.26	1,736,875.39	1,834,692.64	1,592,483.00	1,595,715.00
Capital Grants & Contributions										
Total Governmental Activities Program Revenues	4,687,428.94	4,820,742.63	6,545,601.51	6,284,188.60	5,352,879.96	5,287,738.23	3,369,530.10	2,470,155.81	2,179,802.00	2,160,433.00
Business-Type Activities:										
Charges for Services:										
Food Service			192,778.00	202,096.00	191,758.10	185,429.00	213,016.00	224,536.00	240,049.00	256,954.00
Summer Drama Camp	151,776.43	232,649.82	18,161.00	16,117.00	14,856.30	13,244.65	9,822.56	1,616.00	10,709.00	12,297.00
Summer Technology Camp	-	-	3,485.00	2,723.75	5,625.00					
Summer Music Lessons	-	-	360.00	330.00						
Operating Grants & Contributions	158,253.41	192,106.94	115,992.00	104,389.00	115,745.00	120,374.00	124,752.00	100,546.00	102,391.00	96,379.00
Total Business Type Activities Program Revenues	310,029.84	424,756.76	422,837.00	418,542.51	404,513.94	372,736.36	350,465.02	344,932.83	317,427.00	310,272.00
Total District Program Revenues	\$ 4,997,458.78	\$ 5,245,499.39	\$ 6,968,438.51	\$ 6,702,731.11	\$ 5,757,393.90	\$ 5,660,474.59	\$ 3,719,995.12	\$ 2,815,088.64	\$ 2,497,229.00	\$ 2,470,705.00
Net (Expense)/Revenue:										
Governmental Activities	\$ (13,235,794.84)	\$ (14,229,849.56)	\$ (14,095,565.25)	\$ (12,954,807.13)	\$ (12,191,069.83)	\$ (11,115,601.79)	\$ (10,569,869.88)	\$ (11,195,646.57)	\$ (10,640,624.00)	\$ (9,937,869.00)
Business-Type Activities	(9,793.15)	16,107.62	(1,791.75)	12,974.55	(51,753.00)	39,183.40	6,010.58	25,486.80	23,290.00	36,261.00
Total District-Wide Net Expense	\$ (13,245,587.99)	\$ (14,213,741.94)	\$ (14,097,357.00)	\$ (12,941,832.58)	\$ (12,242,822.99)	\$ (11,076,418.39)	\$ (10,563,859.30)	\$ (11,170,159.77)	\$ (10,617,334.00)	\$ (9,901,608.00)

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 7,258,770.00	\$ 7,066,887.00	\$ 6,712,467.00	\$ 6,423,150.00	\$ 6,161,630.00	\$ 5,829,924.00	\$ 5,804,375.00	\$ 5,706,500.00	\$ 5,706,500.00	\$ 5,706,500.00
Taxes Levied for Debt Service	456,114.00	445,190.00	432,965.00	404,634.00	371,102.00	358,978.00	320,226.50	316,407.00	324,603.00	317,415.00
Unrestricted Grants & Contributions	5,172,608.72	5,097,469.59	6,158,834.75	5,794,883.44	5,023,433.38	4,565,179.60	4,399,538.43	4,309,164.00	4,295,007.00	3,840,254.00
Restricted Grants	-	1,743,044.87	-	-	-	-	-	-	8,565.00	80,839.00
Tuition	2,137,663.00	-	-	-	-	-	-	-	-	-
Investment Earnings	2,137,663.00	-	-	-	-	-	-	-	20,616.00	28,788.00
Miscellaneous Income	(1,798,997.13)	244,143.92	246,841.26	273,939.29	167,938.88	223,124.36	288,672.45	330,625.53	197,592.00	64,900.00
Transfers	-	-	-	-	-	-	-	-	-	-
Adjustment to Capital Assets	(9,570.91)	-	-	(12,667.00)	(54,234.00)	-	237,487.00	(17,018.00)	-	(1,151,899.00)
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	-	(35,153.00)	-
Total Governmental Activities	15,354,250.68	14,596,735.38	13,551,108.01	12,896,606.73	11,724,104.26	10,977,205.96	11,050,299.62	10,645,678.06	10,517,730.00	8,926,909.00
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Adjustment to Capital Assets, Net of Accum. Depr. Transfers	-	-	-	-	-	-	-	-	-	40,112.00
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	30,000.00
Total District-Wide	\$ 15,354,250.68	\$ 14,596,735.38	\$ 13,551,108.01	\$ 12,896,606.73	\$ 11,724,104.26	\$ 10,977,205.96	\$ 11,050,299.62	\$ 10,645,678.06	\$ 10,517,730.00	\$ 8,926,909.00
Change in Net Position:										
Governmental Activities	\$ 2,118,455.84	\$ 366,885.82	\$ (544,457.24)	\$ (58,200.40)	\$ (466,965.57)	\$ (138,395.83)	\$ 480,429.74	\$ (549,968.51)	\$ (122,894.00)	\$ (1,051,072.00)
Business-Type Activities	(9,793.15)	16,107.62	(1,791.75)	12,974.55	(51,753.16)	39,183.40	6,010.58	25,486.80	23,290.00	76,373.00
Total District	\$ 2,108,662.69	\$ 382,993.44	\$ (546,248.99)	\$ (45,225.85)	\$ (518,718.73)	\$ (99,212.43)	\$ 486,440.32	\$ (524,481.71)	\$ (99,604.00)	\$ (974,699.00)

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Capital Reserve	\$ 846,580.00	\$ 1,550,571.02	\$ 435,580.00	\$ 470,000.00	\$ 351,543.24	\$ 351,543.24	\$ 251,543.24	\$ 174,234.00	\$ 138,366.00	\$ 137,588.00
Maintenance Reserve	212,147.29	305,907.97	262,147.29	437,815.00	550,289.00	870,000.00	670,000.00	-	-	-
Excess Surplus	1,851,863.14	(18,454.94)	650,144.11	752,860.81	456,519.85	245,204.42	429,649.01	342,761.53	146,579.00	57,456.00
Assigned	918,116.52	-	49,590.62	78,825.51	-	70,774.81	100,644.04	159,871.28	317,627.00	227,411.00
Unassigned	(143,841.10)	-	(153,981.18)	(91,684.63)	(184,582.85)	(177,774.57)	(195,935.00)	(148,293.00)	(58,073.00)	(110,429.00)
Total General Fund	\$ 3,684,865.85	\$ 1,838,024.05	\$ 1,243,480.84	\$ 1,647,816.69	\$ 1,173,769.24	\$ 1,359,747.90	\$ 1,255,901.29	\$ 528,573.81	\$ 544,499.00	\$ 312,026.00
All Other Governmental Funds:										
Unreserved, Reported in:										
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,881.79	\$ 167,101.00	\$ 171,000.00
Debt Service Fund	2,739.40	0.40	0.40	0.40	0.15	0.65	4,862.65	9,501.15	31,222.00	50,283.00
Total All Other Governmental Funds	\$ 2,739.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.15	\$ 0.65	\$ 4,862.65	\$ 97,382.94	\$ 198,323.00	\$ 221,283.00

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Tax Levy	\$ 7,714,884.00	\$ 7,512,077.00	\$ 7,145,432.00	\$ 6,287,784.00	\$ 6,532,732.00	\$ 6,188,902.00	\$ 6,124,601.50	\$ 6,022,907.00	\$ 6,031,103.00	\$ 6,023,915.00
Tuition Charges	2,137,663.00	1,743,044.87	1,927,655.22	2,171,359.28	1,705,913.08	2,046,649.39	1,594,433.24	635,463.17	587,319.00	564,718.00
Transportation Fees from other LEAs	33,279.00	29,094.88	29,349.00	27,886.90	29,520.89	24,425.58	38,221.47	10,435.90	19,662.00	28,788.00
Interest Earnings	122,668.75	221,612.04	246,841.26	273,939.29	168,084.88	220,389.45	288,672.45	319,988.11	198,546.00	71,718.00
Miscellaneous	8,260,421.01	7,824,518.22	7,170,127.88	6,772,398.54	6,427,501.03	6,186,578.26	5,792,904.11	5,767,183.12	5,368,970.00	4,991,941.00
State Sources	501,093.65	277,505.00	434,313.16	474,177.32	482,536.34	380,123.60	343,509.71	376,673.52	527,085.00	518,049.00
Federal Sources										
Total Revenue	18,770,009.41	17,607,852.01	16,953,718.52	16,547,545.33	15,346,288.22	15,047,068.28	14,182,342.48	13,132,650.82	12,732,685.00	12,199,129.00
Expenditures:										
Instruction:										
Regular Instruction	4,878,434.67	4,234,815.57	4,657,163.29	4,549,952.12	4,178,207.71	4,296,319.19	3,922,229.14	3,925,411.86	3,012,443.00	3,533,865.00
Special Education Instruction	1,773,016.52	1,666,893.95	1,539,180.40	1,526,357.58	1,449,938.47	1,301,261.79	1,319,593.84	1,167,349.67	1,726,308.00	1,149,012.00
Basic Skill/Remedial Instruction	266,066.16	-	-	-	-	-	-	-	-	-
Bilingual Education	-	-	-	-	-	-	-	-	-	-
Other Instruction	117,140.82	419,647.10	629,677.45	624,159.27	688,561.27	602,776.78	576,274.96	478,066.12	430,590.00	289,404.00
Support Services:										
Tuition	317,667.07	743,954.03	1,084,400.93	787,394.94	850,707.82	684,119.38	452,128.04	501,840.83	534,273.00	526,988.00
Student & Instruction Related Services	1,720,755.72	189,154.46	1,693,462.84	1,513,927.64	1,467,952.55	1,482,852.36	1,266,446.47	1,193,005.96	1,284,715.00	1,204,662.00
School Administrative Services	406,874.94	134,330.45	447,668.97	419,925.09	419,605.39	421,434.15	460,211.86	462,651.39	452,463.00	445,653.00
General & Business Administration	669,956.13	-	705,980.43	732,628.71	684,620.99	805,987.94	748,498.24	761,143.53	601,799.00	614,841.00
Services	-	412,646.58	-	-	-	-	-	-	-	-
Central Services	-	1,094,292.59	-	-	-	-	-	-	-	-
Admin. Information Technology	-	573,198.39	973,127.62	1,005,645.45	1,001,941.62	1,043,345.61	933,802.58	901,780.35	983,646.00	891,321.00
Plant Operations & Maintenance	-	484,617.86	539,731.61	480,501.61	520,865.10	466,033.94	335,789.42	368,120.88	375,469.00	370,859.00
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Allocated Benefits	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	2,525,808.91	-	54,201.57	71,336.07	-	-	-	-	-	-
Security	-	-	4,450,327.26	3,888,941.40	3,747,255.29	3,413,364.44	2,993,465.50	2,990,139.61	2,675,982.00	2,486,885.00
Other Support Services	-	-	-	-	-	-	-	-	-	-
On Behalf TPAF Pension and Social	-	-	-	-	-	-	-	-	-	-
Security Contributions	2,286,696.11	47,755.00	44,699.00	18,891.00	-	18,432.00	67,249.00	-	-	-
Transfer of Fund to Charter Schools	107,849.56	140,585.27	105,468.00	49,203.00	151,508.67	48,316.09	269,431.85	158,967.73	81,982.00	219,809.00
Capital Outlay	335,000.00	283,042.00	260,000.00	225,000.00	185,000.00	170,000.00	125,000.00	110,000.00	100,000.00	80,000.00
Debt Service:	146,482.00	291,392.50	172,965.00	179,633.75	186,102.50	193,840.00	199,865.00	231,239.99	263,502.00	237,414.00
Principal	-	-	-	-	-	-	-	-	-	-
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	17,079,871.82	17,111,404.30	17,358,054.37	16,073,497.38	15,532,267.38	14,948,083.67	13,669,985.90	13,249,717.92	12,523,172.00	12,050,713.00

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,690,137.59	496,447.71	(404,335.85)	474,047.70	(185,979.16)	98,984.61	512,356.58	(117,067.00)	209,513.00	148,416.00
Other Financing Sources/(Uses):										
Capital Leases	-	-	-	-	-	-	122,450.61	-	-	-
Transfers In	(9,570.91)	-	-	-	-	-	-	3,111.81	18,884.00	28,082.00
Transfers Out	(13,704.00)	-	-	-	-	-	-	(3,111.81)	(18,884.00)	(28,082.00)
Prior Year Receivable Canceled	-	-	-	-	-	-	-	201.52	-	-
Deposit to Refunding Escrow	-	(3,836,489.85)	-	-	-	-	-	-	-	-
Bond Proceeds	-	3,934,585.35	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(23,274.91)	98,095.50	-	-	-	-	122,450.61	201.52	-	-
Net Change in Fund Balances	\$ 1,666,862.68	\$ 594,543.21	\$ -	\$ -	\$ -	\$ -	\$ 122,450.61	\$ 201.52	\$ -	\$ -
Debt Service as a Percentage of Noncapital Expenditures	2.8%	3.5%	2.6%	2.6%	2.5%	2.5%	2.4%	264.0%	3.0%	2.7%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

STRATFORD BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	TUITION FROM INDIVIDUALS	PRIOR YEAR TUITION	OTHER REIMBURSEMENTS	MISCELLANEOUS	INTEREST ON INVESTMENTS	PRIOR YEARS' REFUNDS	SHARED SERVICE FEES	PRIOR YEAR SHARED SERVICE	TRANSPORTATION FEES	ANNUAL TOTAL
2020	\$ -	\$ -	\$ 2,137,663.00	\$ 121,298.75	\$ -	\$ -	\$ -	\$ -	\$ 33,279.00	\$ 2,292,240.75
2019	-	-	1,743,044.87	-	-	215,049.04	-	-	29,094.88	1,987,188.79
2018	1,920,876.00	6,779.22	-	6,461.21	-	6,244.06	228,343.49	-	29,349.00	2,198,052.98
2017	2,171,359.28	-	34,018.93	11,052.43	-	16,493.10	206,406.64	-	27,886.90	2,467,217.28
2016	1,705,913.08	-	-	6,938.20	-	-	158,727.68	-	29,520.89	1,901,099.85
2015	2,046,649.39	-	1,606.52	5,413.65	0.19	2,420.01	196,890.97	7,661.81	24,425.58	2,285,068.12
2014	1,594,433.24	24,473.52	-	1,848.33	4,882.97	41,922.00	191,342.02	21,709.59	38,221.47	1,918,833.14
2013	635,463.17	106,806.73	14,820.47	6,705.29	7,324.05	1,146.63	43,672.19	137,709.46	-	953,107.99
2012	587,319.00	-	-	6,723.00	10,371.00	151,853.00	49,711.00	-	-	805,527.00
2011	564,718.00	-	11,078.00	9,734.00	39,209.00	10,698.00	22,969.00	-	-	658,406.00
TOTAL	\$ 11,226,731.16	\$ 138,059.47	\$ 3,942,231.79	\$ 176,174.86	\$ 61,787.21	\$ 445,825.84	\$ 1,098,062.99	\$ 167,080.86	\$ 211,777.72	\$ 17,466,741.90

Source: District records

**STRAITFORD BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2020		Information not available											
2019		Information not available											
2018	1,952,000	333,543,300	-	-	58,260,700	-	19,051,800	411,807,800	159,259,700	100	411,807,900	1.771	427,977,349
2017	1,952,000	332,370,500	-	-	58,690,500	-	19,051,800	412,064,800	158,515,300	100	412,064,900	1.696	427,668,193
2016	1,910,700	332,339,600	-	-	59,786,600	-	19,051,800	413,088,700	158,668,600	100	413,088,800	1.618	427,792,367
2015	1,948,700	331,915,300	-	-	60,706,200	-	19,051,800	413,622,000	158,787,400	100	413,622,100	1.538	431,242,479
2014	2,028,800	331,915,900	-	-	62,743,100	-	19,410,700	416,098,500	158,535,400	100	416,098,600	1.480	426,787,872
2013	1,264,800	224,552,200	-	-	44,441,000	-	11,293,700	281,521,700	114,456,600	474,998	281,996,698	2.154	452,277,495
2012	1,239,600	224,833,900	-	-	45,319,200	-	11,368,700	282,761,400	114,362,700	468,312	283,229,712	2.128	492,100,514
2011	1,299,600	224,379,500	-	-	48,385,800	-	11,719,200	285,784,100	114,504,500	452,738	286,236,838	2.106	511,388,419

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

Reassessment occurs when ordered by the County Board of Taxation

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT & OVERLAPPING TAX RATE
	BASIC RATE	DEBT SERVICE	TOTAL DIRECT	BOUROGH OF STRATFORD	REGIONAL HIGH SCHOOL	CAMDEN COUNTY		
2020	1.897	0.107	2.004	0.996	0.665	0.869	4.534	
2019	1.875	0.107	1.982	0.999	0.684	0.866	4.531	
2018	1.664	0.107	1.771	0.996	0.651	0.873	4.291	
2017	1.595	0.101	1.696	0.980	0.691	0.871	4.238	
2016	1.526	0.092	1.618	0.961	0.667	0.862	4.108	
2015	1.449	0.089	1.538	0.937	0.702	0.864	4.041	
2014	1.403	0.077	1.480	0.916	0.709	0.824	3.929	
2013	2.041	0.113	2.154	1.344	1.084	1.250	5.832	
2012	2.023	0.105	2.128	1.303	1.056	1.248	5.735	
2011	2.001	0.105	2.106	1.182	1.053	1.195	5.536	

Source: District Records and Municipal Tax Collector

**STRATFORD BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2020		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Venture I LP	\$ 139,621,280.00	1	9.732%
SVF Oldmans Creek Logan LLC	58,380,000.00	2	4.069%
MEPT 1150 Commerce	31,620,000.00	3	2.204%
RAR2 395 Pedricktown Rd- Ryan, LLC	28,900,000.00	4	2.014%
TR Birch Creek LLC	26,190,000.00	5	1.825%
Cabot Industrial Core Fund Operating	22,616,600.00	6	1.576%
Chelten House Products, Inc.	21,067,500.00	7	1.468%
Tech Data Corp	19,660,000.00	8	1.370%
Liberty Property LTD Partnership	19,558,400.00	9	1.363%
Columbia Gas Transmission Corp	18,751,400.00	10	1.307%
Total	<u>\$ 386,365,180.00</u>		<u>17.998%</u>

TAXPAYER	2011		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Ventures I, LLP	\$ 77,345,000.00	1	12.481%
Mid-Atlantic Ind. LLC	27,891,700.00	2	4.501%
Pureland VI Limited Partnership	14,832,900.00	3	2.394%
US Industrial REIT II	13,475,000.00	4	2.174%
Sun East Equity Funding	12,289,100.00	5	1.983%
Baker-Properties, LP	12,065,700.00	6	1.947%
Wachovia Development Corp	10,000,000.00	7	1.614%
Liberty Property LTD Partnership	8,036,400.00	8	1.297%
Allen Commercial Realty	7,502,800.00	9	1.211%
Cardinal Health 200, Inc	7,162,100.00	10	1.156%
Total	<u>\$ 190,600,700.00</u>		<u>30.758%</u>

Source: Municipal Tax Assessor

**STRATFORD BOROUGH SCHOOL DISTRICT
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2020	\$ 7,714,884.00	\$ 7,714,884.00	100.00%	-
2019	7,512,077.00	7,512,077.00	100.00%	-
2018	6,712,467.00	6,712,467.00	100.00%	-
2017	6,423,150.00	6,423,150.00	100.00%	-
2016	6,161,630.00	6,161,630.00	100.00%	-
2015	5,829,924.00	5,829,924.00	100.00%	-
2014	6,124,601.00	6,124,601.00	100.00%	-
2013	6,022,907.00	6,022,907.00	100.00%	-
2012	6,031,103.00	6,031,103.00	100.00%	-
2011	6,023,915.00	6,023,915.00	100.00%	-
2010	5,804,294.00	5,804,294.00	100.00%	-

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

**STRATFORD BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES				
2020	\$ 3,380,000.00	\$ -	\$ -	\$ 3,380,000.00	N/A	N/A	
2019	3,715,000.00	-	-	3,715,000.00	N/A	N/A	
2018	4,361,000.00	-	-	4,361,000.00	N/A	N/A	
2017	4,621,000.00	-	40,816.87	4,661,816.87	1.41%	\$ 98.94	
2016	4,846,000.00	-	81,633.74	4,927,633.74	1.52%	\$ 106.33	
2015	5,031,000.00	-	-	5,031,000.00	1.55%	\$ 107.30	
2014	5,031,000.00	-	-	5,031,000.00	1.68%	\$ 116.94	
2013	5,326,000.00	-	-	5,326,000.00	1.71%	\$ 119.37	
2012	5,436,000.00	-	-	5,436,000.00	1.77%	\$ 124.80	
2011	5,536,000.00	-	26,471.00	5,562,471.00	1.89%	\$ 132.90	

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

**STRATFORD BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2020	\$ 3,380,000.00	\$ -	\$ 3,380,000.00	0.82%	N/A
2019	3,715,000.00	-	3,715,000.00	0.90%	N/A
2018	4,361,000.00	-	4,361,000.00	1.06%	626
2017	4,621,000.00	-	4,621,000.00	1.12%	664
2016	4,846,000.00	-	4,846,000.00	1.17%	695
2015	5,031,000.00	-	5,031,000.00	1.22%	721
2014	5,031,000.00	-	5,031,000.00	1.21%	721
2013	5,326,000.00	-	5,326,000.00	1.89%	761
2012	5,326,000.00	-	5,436,000.00	1.92%	773
2011	5,536,000.00	-	5,536,000.00	1.93%	788

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Stratford Borough	\$ 3,715,000.00	100.00%	\$ 3,715,000.00
County of Camden General Obligation Debt	402,702,498.00	1.13%	<u>4,550,538.23</u>
Subtotal, Overlapping Debt			8,265,538.23
Stratford Borough School District Direct Debt			<u>3,380,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 11,645,538.23</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Logan Township or Gloucester County Board of Taxation.

STRATFORD BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 12,794,160.45	\$ 12,969,505.58	\$ 12,808,294.77	\$ 12,863,056.75	\$ 12,938,582.10	\$ 13,190,321.02	\$ 13,817,168.31	\$ 14,558,060.55	\$ 15,216,892.00	\$ 15,352,255.00
Total Net Debt Applicable to Limit	3,380,000.00	3,715,000.00	4,361,000.00	4,621,000.00	4,846,000.00	5,031,000.00	5,201,000.00	5,326,000.00	5,436,000.00	5,536,000.00
Legal Debt Margin	\$ 9,414,160.45	\$ 9,254,505.58	\$ 8,447,294.77	\$ 8,242,056.75	\$ 8,092,582.10	\$ 8,159,321.02	\$ 8,616,168.31	\$ 9,232,060.55	\$ 9,780,892.00	\$ 9,816,255.00
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.42%	28.64%	34.05%	35.92%	37.45%	38.14%	37.64%	36.58%	35.72%	36.06%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis	
2019	\$ 409,695,500.00
2018	442,931,524.00
2017	426,789,021.00
	<u>\$ 1,279,416,045.00</u>
Average Equalized Valuation of Taxable Property	<u>\$ 426,472,015.00</u>
Debt Limit (3 % of Average Equalization Value)	12,794,160.45
Net Bonded School Debt	<u>3,380,000.00</u>
Legal Debt Margin	<u>\$ 9,414,160.45</u>

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

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**STRATFORD BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA	
			PERSONAL INCOME	UNEMPLOYMENT RATE
2020	N/A	N/A		N/A
2019	N/A	N/A	N/A	N/A
2018	6,967	N/A	N/A	4.3%
2017	6,960	361,070,880.00	51,878.00	5.0%
2016	6,972	344,361,024.00	49,392.00	5.0%
2015	6,980	337,213,092.00	48,084.00	5.8%
2014	6,979	325,576,384.00	46,886.00	7.3%
2013	6,995	316,621,888.00	45,544.00	9.1%
2012	7,033	318,187,980.00	45,540.00	8.2%
2011	7,027	312,065,565.00	44,359.00	8.1%

Source: State of New Jersey, Department of Labor and Workforce Development, Labor Planning and Analysis.

**STRATFORD BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2020		
	(1) EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	
Kennedy Health Alliance	1,675	2	
Washington Township School District	1,586	3	
Rowan University	1,483	4	
County of Gloucester	1,368	5	
Missa Bay, LLC	950	6	
Monroe Township School District	814	7	
U.S. Foodservices	725	8	
ExxonMobil Research and Engineering	540	9	
LaBrea Bakery	525	10	
	11,491		N/A
		2011	
		N/A	

This exhibit reflects principal employers for Gloucester County.

Source: (1) Gloucester County Office of Economic Development for company and employee data.

(2) New Jersey Department of Labor and Workforce Development for the total employment data.

STRATFORD BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:											
Regular	57.60	57.60	57.60	57.60	55.10	54.50	51.80	47.30	45.80	45.00	47.70
Special Education	18.80	18.80	18.80	18.80	18.50	16.80	16.50	15.00	15.00	14.00	15.70
Other Special Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Support Services:											
Student & Instruction Related Services	28.10	28.10	28.10	28.10	25.50	26.80	27.70	25.30	22.60	20.80	49.60
General & Business Administrative Services	3.00	3.00	2.70	2.70	2.70	1.70	1.70	1.70	1.90	1.90	1.90
School Administrative Services	2.70	2.70	7.40	7.40	7.80	8.50	8.50	8.50	8.50	8.50	8.50
Central Services	6.40	6.40	3.00	3.00	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Administrative Information Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.20
Plant Operations & Maintenance	11.40	11.40	11.40	11.40	10.60	11.40	10.30	9.80	9.80	9.80	10.00
Pupil Transportation	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Food Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	130.50	130.50	131.50	131.50	125.90	125.40	122.40	113.50	109.50	105.90	139.30

Source: School District Records.

STRATFORD BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						PARKVIEW	YELLIN				
2020	864	\$ 16,490,540.26	\$ 19,086.27	-5.59%	90	1:20	1:20	885.3	849.0	0.83%	95.90%
2019	854	17,111,404.00	20,036.77	-0.89%	89	1:20	1:20	855.1	834.6	-2.61%	97.61%
2018	832	16,819,621.00	20,215.89	12.34%	89	1:20	1:20	878.0	803.0	1.20%	91.46%
2017	868	15,619,661.00	17,995.00	-1.21%	84	1:22	1:22	867.6	827.6	4.04%	95.39%
2016	824	15,009,656.00	18,215.60	8.40%	84	1:21	1:21	833.9	796.6	-2.90%	95.53%
2015	865	14,535,928.00	16,804.54	9.27%	83	1:21	1:21	858.8	819.3	1.37%	95.40%
2014	829	12,749,510.00	15,379.38	-2.77%	78	1:21	1:21	847.2	815.2	5.23%	96.22%
2013	806	12,749,510.00	15,818.25	5.17%	76	1:19	1:21	805.1	752.8	2.91%	93.50%
2012	803	12,077,688.00	15,040.71	9.73%	72	1:20	1:20	782.3	751.8	-5.84%	96.10%
2011	840	11,513,490.00	13,706.54	-4.85%	71	1:21	1:20	830.8	798.7	0.45%	96.14%

Sources: District records

**STRATFORD BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR
REVISED**

DISTRICT BUILDINGS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elementary Schools:										
Parkview Elementary (1964):										
Square Feet	131,068	48,198	48,198	48,198	48,198	48,198	48,198	48,198	48,198	48,198
Capacity (Students)	877	307	307	307	307	307	307	307	307	307
Enrollment	369	359	353	353	356	378	350	347	342	343
Yellin Elementary (1957):										
Square Feet	39,135	76,682	76,682	76,682	76,682	76,682	76,682	76,682	76,682	76,682
Capacity (Students)	266	547	547	547	547	547	547	547	547	547
Enrollment (a)	495	495	515	515	468	487	479	460	446	487
Number of Buildings at June 30, 2020:										
Elementary = 2										
Middle = 0										
High School = 0										
Other = 0										

Source: District Facilities Office, Long Range Facility Plan - FES and District Capacity report.

**STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	Samuel Yellin School	Parkview School	TOTAL
2020	\$ 83,569.00	\$ 55,712.00	\$ 139,281.00
2019	121,432.00	80,954.00	\$ 202,386.00
2018	106,635.00	69,270.00	\$ 175,905.00
2017	125,944.00	65,621.00	\$ 191,565.00
2016	117,049.00	59,779.00	\$ 176,828.00
2015	138,183.00	94,686.00	\$ 232,869.00
2014	103,288.00	52,499.00	\$ 155,787.00
2013	104,503.00	54,656.00	\$ 159,159.00
2012	111,826.00	60,294.00	\$ 172,120.00
2011	61,294.00	48,049.00	\$ 109,343.00

Total School Facilities

* 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

**STRATFORD BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020**

	COVERAGE	DEDUCTIBLE
School Package Policy:		
Property		
Building and Contents (All Locations)	\$ 31,393,732.00	\$ 5,000.00
Comprehensive General Liability	6,000,000.00	N/A
Comprehensive Automobile Liability	6,000,000.00	N/A
Comprehensive Crime Coverage:		
Faithful Performance	250,000.00	1,000.00
Money Orders/Counterfeit	10,000.00	500.00
Money and Securities	10,000.00	500.00
Secretarys Bond	200,000.00	1,000.00
Computer Fraud	250,000.00	1,000.00
Forgery and Alteration	25,000.00	500.00
Equipment and Breakdown	100,000,000.00	5,000.00
Workers Compensation	Statutory	
School Leaders Errors and Admissions	6,000,000.00	5,000.00
Supplemental Workers Compensation	Statutory	
Student Accident Insurance	\$ 5,000,000.00	
Berkley Life and Health Insurance Company		
Student Accident Policy Catastrophe	\$ 1,000,000.00	

Source: District records - SAIF Risk Mgmt Plan

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Borough of Stratford School District
County of Camden
Stratford, New Jersey 08084

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

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as finding no. 2020-002.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mansfield Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as finding no.'s 2020-001 and 2020-002.

The Borough of Stratford School District's Response to Findings

The Borough of Stratford School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
February 5, 2021



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Borough of Stratford School District
County of Camden
Stratford, New Jersey 08084

Report on Compliance for Each Major State Program

We have audited the Borough of Stratford School District’s compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2020. The Borough of Stratford School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Stratford School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of the Borough of Stratford School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
February 5, 2021

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STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECIPIENT EXPENDITURES	BALANCE CANCELLED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2020	UNEARNED REVENUE AT JUNE 30, 2020	DUE TO GRANTOR JUNE 30, 2020	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED-THROUGH NEW JERSEY DEPARTMENT OF HUMAN SERVICES Medical Assistance Program (SEM) Medical Assistance Program (SEM)	10.555 93.778	191NJ04N1099 2005NJ5MAP 1905NJ5MAP	100-054-7540-211 100-054-7540-211	7,801.72 32,206.00	7/1/19-6/30/20 7/1/18-6/30/19	(9,070.49) (9,070.49)	7,801.72 3,801.72	(7,801.72) (7,801.72)	- -	- -	9,070.49 9,070.49	- -	- -	- -	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						(9,070.49)	7,801.72	(7,801.72)	-	-	9,070.49	-	-	-	
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION: Enterprise Fund: Child Nutrition Cluster Noncash Assistance Food Distribution Program Food Distribution Program Cash Assistance National School Lunch Program COVID-19 National School Lunch Program National School Lunch Program National School Breakfast Program COVID-19 National School Breakfast Program National School Breakfast Program	10.555 10.555	191NJ04N1099 181NJ04N1099	Unavailable Unavailable	18,044.68 22,238.85	7/1/19-6/30/20 7/1/18-6/30/19	- 3,242.46	18,044.68 -	(11,981.13) (3,242.46)	- -	- -	- -	- -	6,063.55 -	- -	
National School Lunch Program COVID-19 National School Lunch Program National School Lunch Program National School Breakfast Program COVID-19 National School Breakfast Program National School Breakfast Program	10.555 10.555	191NJ04N1099 181NJ04N1099	100-010-3350-026 100-010-3350-026 100-010-3350-026 100-010-3350-028 100-010-3350-100 100-010-3350-028	93,518.51 15,582.00 141,277.00 21,741.51 9,794.40 30,879.08	7/1/19-6/30/20 7/1/19-6/30/20 7/1/18-6/30/19 7/1/19-6/30/20 7/1/19-6/30/20 7/1/18-6/30/19	- - (26,891.95) - (6,935.47) (30,584.96)	93,518.51 9,408.00 26,891.95 21,741.51 5,913.60 6,935.47	(93,518.51) (15,582.00) - (21,741.51) (9,794.40) (155,860.01)	- -	- -	- -	- -	6,063.55 -	- -	
Total Child Nutrition Cluster						(30,584.96)	182,453.72	(155,860.01)	-	-	(10,054.80)	-	6,063.55	-	
Total Enterprise Fund						(30,584.96)	182,453.72	(155,860.01)	-	-	(10,054.80)	-	6,063.55	-	
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION: Special Revenue Fund: K.C.L.B. Title I Title I Subtotal Title II - Part A Title II - Part A Subtotal Title III Title III Subtotal Title IV Title IV Subtotal	84.010 84.010	S010A190030 S010A180030	100-034-5064-194 100-034-5064-194	112,985.00 124,774.00	7/1/19-6/30/20 7/1/18-6/30/19	- (96,039.01)	69,532.99 96,039.01	(161,234.38) (161,234.38)	- -	- -	- -	(91,681.39) (91,681.39)	- -	- -	
Special Education Cluster: L.D.E.A. B - Basic L.D.E.A. B - Basic Subtotal L.D.E.A. - Preschool L.D.E.A. - Preschool Subtotal	84.367 84.367	S367A190029 S367A180029	100-034-5063-290 100-034-5063-290	19,593.00 21,679.00	7/1/19-6/30/20 7/1/18-6/30/19	- (11,529.28)	18,493.72 11,529.28	(16,653.30) (16,653.30)	- -	- -	- -	(1,160.00) (1,160.00)	3,000.42 3,000.42	- -	- -
Special Education Cluster: L.D.E.A. B - Basic L.D.E.A. B - Basic Subtotal L.D.E.A. - Preschool L.D.E.A. - Preschool Subtotal	84.424 84.424	S424A190031 S424A180031	100-034-5063-348 100-034-5063-348	10,000.00 10,000.00	7/1/19-6/30/20 7/1/18-6/30/19	- (9,921.40)	4,844.60 9,921.40	(18,371.00) (18,371.00)	- -	- -	- -	(13,526.40) (13,526.40)	- -	- -	- -
Special Education Cluster: L.D.E.A. B - Basic L.D.E.A. B - Basic Subtotal L.D.E.A. - Preschool L.D.E.A. - Preschool Subtotal	84.027 84.027	H027A190100 H027A180100	100-034-5065-016 100-034-5065-016	292,297.00 286,259.00	7/1/19-6/30/20 7/1/18-6/30/19	- (259,228.62)	213,812.38 259,228.62	(246,287.06) (246,287.06)	- -	(42,097.00) (42,097.00)	- -	(74,571.68) (74,571.68)	- -	- -	- -
L.D.E.A. - Preschool L.D.E.A. - Preschool Subtotal	84.173 84.173	H173A190114 H173A180114	100-034-5065-020 100-034-5065-020	15,207.00 14,989.00	7/1/19-6/30/20 7/1/18-6/30/19	- (0.49)	999.51 0.49	(1,000.00) (1,000.00)	- -	- -	- -	(0.49) (0.49)	- -	- -	- -
Total Special Education Cluster						(259,229.11)	474,041.00	(247,287.06)	-	(42,097.00)	-	(74,572.17)	-	-	
Total Special Revenue Fund						(388,435.04)	702,471.00	(451,194.93)	-	(42,097.00)	-	(182,256.39)	3,000.42	-	
Total Federal Financial Assistance						(428,090.49)	892,726.44	(614,856.66)	-	(42,097.00)	9,070.49	(192,311.19)	9,063.97	-	

STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANTOR/PROGRAM TITLE	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	ADJUSTMENTS	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2020	UNEARNED REVENUE AT JUNE 30, 2020	DUE TO GRANTOR JUNE 30, 2020	MEMO	
													BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education														
General Fund:														
State Aid Public:														
Equalization Aid	495-034-5120-078	4,086,736.00	7/1/19-6/30/20	\$ -	\$ -	\$ 4,086,736.00	\$ (4,086,736.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,315.44	\$ 4,086,736.00
Special Education Categorical Aid	495-034-5120-089	437,575.00	7/1/19-6/30/20	-	-	437,575.00	(437,575.00)	-	-	-	-	-	43,076.72	437,575.00
Security Aid	495-034-5120-084	137,797.00	7/1/19-6/30/20	-	-	137,797.00	(137,797.00)	-	-	-	-	-	13,565.31	137,797.00
School Choice Aid	495-034-5120-068	235,217.00	7/1/19-6/30/20	-	-	235,217.00	(235,217.00)	-	-	-	-	-	23,155.75	235,217.00
Total State Aid Public						4,897,325.00	(4,897,325.00)						482,113.22	4,897,325.00
Transportation Aid	495-034-5120-014	202,610.00	7/1/19-6/30/20	-	-	202,610.00	(202,610.00)	-	-	-	-	-	19,945.78	202,610.00
Extraordinary Aid	495-034-5120-044	114,872.00	7/1/19-6/30/20	-	-	114,872.00	(114,872.00)	-	-	(114,872.00)	-	-	-	114,872.00
Extraordinary Aid	495-034-5120-044	210,309.00	7/1/18-6/30/19	(210,309.00)	-	210,309.00	-	-	-	-	-	-	-	-
Additional Non Public Transportation Aid	495-034-5120-014	2,320.00	7/1/19-6/30/20	-	-	-	(2,320.00)	-	-	(2,320.00)	-	-	-	2,320.00
Additional Non Public Transportation Aid	495-034-5120-014	2,320.00	7/1/18-6/30/19	(2,320.00)	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Social Security Reimbursement	495-034-5094-003	446,662.11	7/1/19-6/30/20	-	-	423,794.05	(446,662.11)	-	-	(22,868.06)	-	-	-	446,662.11
On-Behalf TPAF Social Security Reimbursement	447,121.05	447,121.05	7/1/18-6/30/19	(21,764.31)	-	21,764.31	-	-	-	-	-	-	-	-
TPAF Pension Contribution (Nonesash Assistance)	495-034-5094-002	1,341,506.00	7/1/19-6/30/20	-	-	1,341,506.00	(1,341,506.00)	-	-	-	-	-	-	1,341,506.00
TPAF Post-Retirement Medical (Nonesash Assistance)	495-034-5094-001	497,674.00	7/1/19-6/30/20	-	-	497,674.00	(497,674.00)	-	-	-	-	-	-	497,674.00
TPAF Long-Term Disability Insurance (Nonesash Assistance)	495-034-5094-004	854.00	7/1/19-6/30/20	-	-	854.00	(854.00)	-	-	-	-	-	-	854.00
Total General Fund				(234,393.31)		7,598,156.36	(7,503,823.11)			(140,000.06)			502,059.00	7,503,823.11
Special Revenue Fund:														
Non-Public Aid:														
Textbooks	100-034-5120-064	16,077.00	7/1/19-6/30/20	-	-	16,077.00	(16,021.71)	-	-	-	-	55.29	-	16,021.71
Textbooks	100-034-5120-064	18,103.00	7/1/18-6/30/19	114.77	-	-	-	(114.77)	-	-	-	-	-	-
Nursing Services	100-034-5120-070	29,585.00	7/1/19-6/30/20	-	-	29,585.00	(20,771.29)	-	-	-	-	8,813.71	-	20,771.29
Nursing Services	100-034-5120-070	32,883.00	7/1/18-6/30/19	328.83	-	-	-	(328.83)	-	-	-	-	-	-
Technology Initiative	100-034-5120-373	10,980.00	7/1/19-6/30/20	-	-	10,980.00	(10,832.13)	-	-	-	-	147.87	-	10,832.13
Technology Initiative	100-034-5120-373	12,204.00	7/1/18-6/30/19	167.82	-	-	-	(167.82)	-	-	-	-	-	-
Security Aid	100-034-5120-509	50,850.00	7/1/18-6/30/19	1,661.41	-	-	(42,454.40)	(1,661.41)	-	-	-	3,295.60	-	42,454.40
Auxiliary Services Aid (Chapter 192):														
Compensatory Education	100-034-5120-067	217,399.00	7/1/19-6/30/20	-	-	217,399.00	(190,412.64)	-	-	-	-	26,986.36	-	190,412.64
Compensatory Education	100-034-5120-067	241,119.00	7/1/18-6/30/19	-	-	60,498.00	-	-	-	-	-	60,498.00	-	186,316.00
Transportation	100-034-5120-067	188,103.00	7/1/19-6/30/20	-	-	188,103.00	(186,316.00)	-	-	-	-	1,787.00	-	186,316.00
Transportation	100-034-5120-067	28,863.00	7/1/18-6/30/19	1,740.00	-	-	-	-	-	-	-	16,395.56	-	16,395.56
ESL	100-034-5120-067	30,607.00	7/1/19-6/30/20	-	-	30,607.00	(29,821.07)	-	-	-	-	785.93	-	29,821.07
ESL	100-034-5120-067	37,098.00	7/1/18-6/30/19	-	-	-	-	-	-	-	-	16,738.28	-	-
Handicapped Services (Chapter 193):														
Examination and Classification	100-034-5120-066	76,375.00	7/1/19-6/30/20	-	-	76,375.00	(50,294.83)	-	-	-	-	26,080.17	-	50,294.83
Examination and Classification	100-034-5120-066	60,625.00	7/1/18-6/30/19	-	-	-	-	-	-	-	-	16,021.64	-	-
Examination and Classification	100-034-5120-066	55,140.00	7/1/19-6/30/20	-	-	55,140.00	(48,125.64)	-	-	-	-	7,014.36	-	48,125.64
Corrective Speech	100-034-5120-066	53,568.00	7/1/18-6/30/19	-	-	-	-	-	-	-	-	14,195.52	-	-
Supplementary Instruction	100-034-5120-066	67,997.00	7/1/19-6/30/20	-	-	67,997.00	(58,896.35)	-	-	-	-	9,100.65	-	58,896.35
Supplementary Instruction	100-034-5120-066	64,230.00	7/1/18-6/30/19	-	-	-	-	-	-	-	-	18,400.38	-	-
Total Special Revenue Fund				4,012.83		738,013.00	(653,946.06)	(2,272.83)				226,316.32		653,946.06
Enterprise Fund:														
National School Lunch Program	100-010-3360-067	2,393.40	7/1/19-6/30/20	-	-	2,296.38	(2,393.40)	-	-	(97.02)	-	-	-	2,393.40
National School Lunch Program	100-010-3360-067	3,252.92	7/1/18-6/30/19	(612.50)	-	612.50	-	-	-	-	-	-	-	-
Total Enterprise Fund				(612.50)		2,908.88	(2,393.40)			(97.02)				2,393.40
Total State Financial Assistance				(230,992.98)		8,339,078.24	(8,160,162.57)	(2,272.83)		(140,157.08)		226,316.32		8,160,162.57
Less: Grants Not Subject to Type A/B Threshold Calculation:														
On-Behalf TPAF Pension Contributions	495-034-5094-002	1,341,506.00	7/1/19-6/30/20	-	-	-	1,341,506.00	-	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	495-034-5094-001	497,674.00	7/1/19-6/30/20	-	-	-	497,674.00	-	-	-	-	-	-	-
On-Behalf Long-Term Disability Insurance	495-034-5094-004	854.00	7/1/19-6/30/20	-	-	-	854.00	-	-	-	-	-	-	-
Total State Financial Assistance subject to Major Program Determination							(6,320,128.57)							(6,320,128.57)

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

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

Note 3. Relationship to Basic Financial Statements

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

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

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(50,950.00) for the general fund and \$151,814.84 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,801.72	\$ 7,452,873.11	\$ 7,460,674.83
Special Revenue Fund	493,291.93	807,547.90	1,300,839.83
Food Service Fund	<u>155,860.01</u>	<u>2,393.40</u>	<u>158,253.41</u>
Total Awards & Financial Assistance	<u>\$ 656,953.66</u>	<u>\$ 8,262,814.41</u>	<u>\$ 8,919,768.07</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Borough of Stratford School District had no loan balances outstanding at June 30, 2020.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued _____ Unmodified _____

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? _____ yes _____ X _____ none reported

Noncompliance material to financial statements noted? _____ X _____ yes _____ no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

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

2) Significant deficiency(ies) identified? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes _____ no

Identification of major programs:

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

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

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

Section II – Financial Statement Findings

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

Financial Statement Findings

Finding No. 2020-001 – Repeat Finding

Criteria or Specific Requirement

A Food Service Fund's Net Cash Resources should not exceed its three months average expenditures.

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$100,364.75.

Context

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2020 were \$187,974.80 and the three times monthly average was \$87,610.05, causing the excess of \$100,364.75.

Effect

Noncompliance with the requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey Audit Program.

Cause

The School District did not monitor the finances of its Food Service Fund to ensure its Net Cash Resources at the end of the fiscal year did not exceed the Fund's three months average expenditures.

Recommendation

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

View of Responsible Officials and Planned Corrective Action

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

Finding No. 2020-002

Criteria or Specific Requirement:

The State Department of Education requires districts to maintain a capital assets record that accounts for all assets with a historical value of at least \$2,000.

Condition:

The capital assets records were not properly updated for additions, disposals or depreciation.

Context:

The District did not properly track capital asset activity. Due to this oversight, asset additions and depreciation were made by audit adjustment.

Effect:

The District's financial records related to those accounts may not be accurate.

Cause:

Lack of oversight by district officials.

Recommendation:

The district should have adequate internal control procedures over its capital assets, including periodic update of the general ledger for additions, disposals and depreciation.

View of Responsible Officials and Planned Corrective Action:

Responsible officials agree with this recommendation and will address the matter as part of their corrective action plan.

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

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

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

FEDERAL AWARDS

N/A – Federal single audit not required.

STATE FINANCIAL ASSISTANCE

None.

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

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

Financial Statement Findings

Finding No. 2019-001

Condition:

The School District's Food Service Fund Net Cash Resources exceeded its three months' average expenditures by 77,041.39.

Current Status:

This finding has not been corrected.

Federal Awards

N/A – No Federal Single Audit in prior year

State Financial Assistance

No Prior Year Findings.