

**UPPER DEERFIELD TOWNSHIP
SCHOOL DISTRICT
SEABROOK, NEW JERSEY**



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

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INTRODUCTORY SECTION

UPPER DEERFIELD TOWNSHIP SCHOOLS

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January 25, 2021

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

Dear Board Members:

The comprehensive annual financial report of the Upper Deerfield Township School District for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 the financial position and results of operations of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury 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 auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Upper Deerfield Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report. The Upper Deerfield Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 8. These include regular, as well as special education for handicapped students. The following details the changes in the student enrollment of the District over the last ten years.

1) REPORTING ENTITY AND ITS SERVICES (CONT'D):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	839	-2.21%
2018-19	858	-3.70%
2017-18	891	0.00%
2016-17	890	-1.77%
2015-16	906	-0.88%
2014-15	914	+1.44%
2013-14	901	+0.89%
2012-13	897	+4.30%
2011-12	859	-4.30%
2010-11	898	-3.50%

2) ECONOMIC CONDITIONS AND OUTLOOK: Upper Deerfield Township's new development is slow. The economic condition of the community is anticipated to be steady. Existing businesses and industries appear stable.

3) MAJOR INITIATIVES:

During the 2019-2020 school year, unprecedented times presented like no other due to the COVID-19 pandemic. As a district, we were faced with many challenges that were unexpected in addition to meeting the challenges that are encountered in a typical school year due to fiscal restraints. This combination provided some difficulties in meeting the needs of our students and staff as we were forced to provide educational services in a virtual format while also ensuring that additional safety measures would be in place to mitigate the risks of the spread of the COVID-19 virus. Meals, related services, and education needed to continue during remote instruction and had to be done in a fiscally responsible manner. In addition, students needed devices for remote learning and other measures would need to be in place given the scope and magnitude of the pandemic. This led to some changes in our initiatives since the delivery of our instructional programming had to be adapted to the virtual format.

As a district, we serve a diverse student body in which approximately 60% of our students are eligible for free or reduced-price lunch. In addition, a transiency rate of approximately 18% along with a classified student population of 22%, limited funds provide challenges to meet the needs of all students. However, in Upper Deerfield, we remained focused on a commitment to improve student achievement and providing programs to meet the needs of our students while being fiscally responsible and creative with programs and shared services. In staying true to the mission and vision of our Board of Education, we continue to set high academic and behavioral expectations for all students. Teachers engage in collaborative planning to create high student engagement, connect classroom learning and lessons to daily life by integrating components that will continue to be reviewed, revised, and refined during the planning and implementation process.

In keeping students at the core of our business, our primary focus is on promoting the development of the whole student while providing them with the knowledge, skills, and integrity to meet life's challenges. Many of our programs are designed to fulfill their needs and enable our students to become productive in both the school and the community. By expanding our preschool to three year old students, we hope to continue meeting the needs of our community by providing an additional year of instruction. All three schools of the Upper Deerfield Township School District are committed to creating a community of acceptance that provides children the opportunity for extraordinary educational experiences in an inclusive environment.

The instructional practices are reviewed to remain current to the content standards. As we plan each year, focus on the educational strategies that are most beneficial to our students and staff to foster an environment that promotes a quality education for all. Our district continues to implement initiatives based on evidence based practices from the research to supplement our curriculum and evaluation plans. We continue to close achievement gaps while increasing opportunities for student and parent involvement.

3) MAJOR INITIATIVES (CONT'D):

Once again in the classrooms this year there we concentrated our efforts with initiatives to enhance student engagement and responsibility for learning. Our staff is committed to finding ways to continue to improve student learning as evidenced by the work of several Professional Learning Communities (PLC) focusing on this topic. We have expanded our technology to include devices for all which was important during remote instruction. In addition, there are various software programs in all grades for intervention and supplemental services. Google classroom is available for all students to complete their assignments on the computer which provides enhancement to their writing with the real time revise and edit of their work through this use of technology. Other areas of focus include the following:

- Assisting parents with health care programs
- Establishing a platform for virtual learning and meetings
- Researching and Implementing Social Emotional Learning Programs
- Developing more mentoring programs for students.
- Providing materials and additional safety measures to mitigate risks of viruses
- Increasing opportunities for virtual programs
- Expanding after school and summer programs to assist students deficient in their progress and keep students on par with their grade level
- Assisting parents in securing technology and internet access
- Obtaining more security items such as lockdown notification systems complementing our silent alarm system
- Providing more assistive technology for students to meet their individual learning needs.
- Expanding on our security to maintain a safe and secure school setting.
- Attracting, developing, retaining, and supporting caring, motivated, innovative, engaging, and professional faculty and staff.
- Improving student achievement across all content areas.
- Improving student achievement across all student groups.
- Providing Reading Programs designed to engage students and address the learning needs
- Increasing student engagement in learning.
- Providing more Universal Design for Learning and Differentiates Instruction based on student individual needs.
- Identifying and using multiple measures of student learning.
- Increase accountability for performance by ensuring professional development is linked to an instructional purpose and objective.
- Promoting and maintaining a safe learning environment.
- Continue with equity and diversity professional development programs

With these programs expanding and meeting the needs of our students, our three schools are able to provide learning environments designed to engage students in critical thinking, strategic planning, hands-on learning and problem solving. Teachers set expectations that all students can succeed and they, along with our students, are active partners in the learning experience. With this mindset, students and staff become accepting of their responsibility to challenge themselves to meet with success. We continue to provide more opportunities for students with special needs to be part of the mainstreamed setting and expand practices such as UDL to assist in closing any achievement gaps and foster inclusion.

3) MAJOR INITIATIVES (CONT'D):

Preparing students for college and career is necessary to allow all students to meet with success. It is necessary to incorporate sound educational research practices that are consistent with the group dynamics of the current classroom while maintaining our focus on the current needs. As part of our program initiatives our schools will continue to and/or implement the following:

- I & RS (Intervention and Referral Services) improvement to establish additional supports for our students.
- Professional development that is focused on professional growth plans and action research.
- HIB, Equity, and Diversity Programs and Assemblies
- Technology use across the curriculum
- Addressing Learning Loss
- Academic Assistance Programs for tutoring
- Implement Social Emotional Learning (SEL) programs to develop student talk more closely aligned to the instructional focus; provide teacher's opportunity for more positive feedback to students; assist teachers in developing and promoting additional strategies to encourage student talk.
- Response-to-Intervention (RTI), tiered instruction
- Multiple assessments (e.g., IEPs computer-adaptive, inventory of teachers use of authentic assessments)
- Teacher performance evaluation systems that are aligned with NJ ACHIEVE

Upper Deerfield Township School District continues to reach out to businesses, community organizations, colleges, and the local high schools to develop partnerships to share programs, provide professional development, and share services. This provides additional positive support in various ways and strengthens the educational efforts of our school district while also proving to be fiscally responsible. With this in mind, we are focusing on the following areas:

- Partner with community organizations to provide programs to meet the needs of our students.
- Expanding Virtual Learning Opportunities for students and parents.
- Seek agency support for programs such as counseling, health care, mentoring, and summer programs.
- Expanding our Career Day through these partnerships to give the students opportunity to explore various careers.
- Continue to improve District's communication with parents and community.
- Promote parental and community support for student learning and achievement.
- Support active district/school and community partnerships.
- Access local talent and expertise to support district/school goals and objectives.

As a district, we reflect on best practices, technology, strategies that have shown value, strategies that have not shown value, and research ideas that would be of value to our student population. This reflective practice serves as the impetus to define the educational purpose so we can plan and make educated decisions to determine a path for success of students, teachers, families, and community.

In our planning we will include programs to embrace the challenge of meeting the needs of all students. Professional development, technology, security, facilities, and programming are areas we will look to expand upon to not only service our students, but our parents as well. Included in our plans is to remain consistent with the eight turnaround principles and continue to implement strategies and interventions that are aligned to these principles. Investing in our community starts with educating our youth in a safe environment.

Our Board of Education, Administration, and Staff engage in dialogue to expand on evidence based research to strengthen our commitment in the Upper Deerfield Township School District with the Upper Deerfield Township Community as a partnership investing in the education of the children in our district as we strive to achieve success for all.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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.

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

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

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

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

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as 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 failed banking institutions 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.

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

10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements 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 the State Treasury 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, required supplemental information and supplemental information are 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.

11) ACKNOWLEDGEMENTS: The preparation of this report would not have been possible without the dedication and skill of the Business Office staff. We would also like to express our appreciation to the members of the Upper Deerfield Township School District Board of Education for their support in providing a sound financial operation.

Respectfully Submitted,



Dr. Peter L. Koza
Superintendent

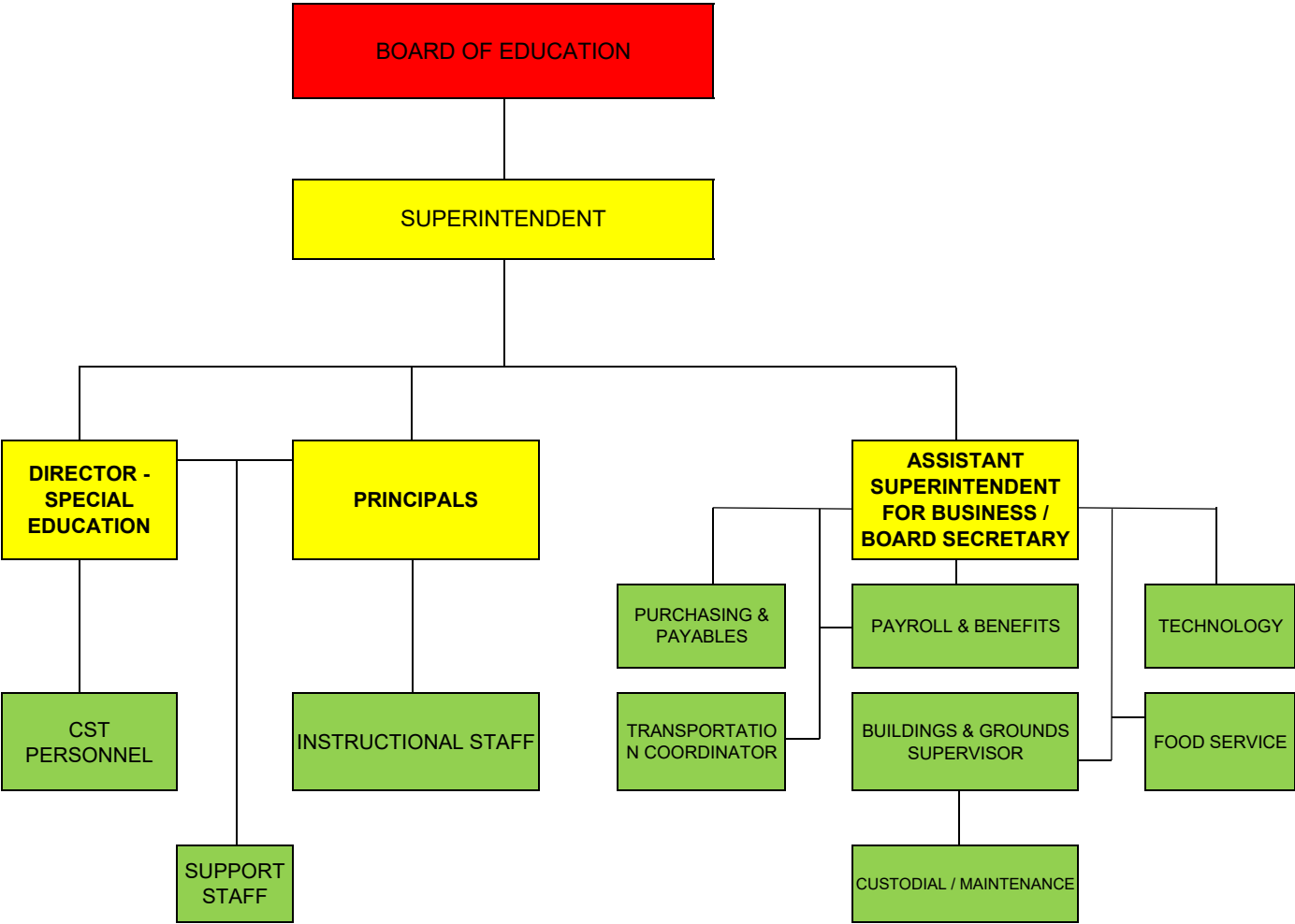
Respectfully Submitted,



Cherie R. Bratty
Assistant Superintendent for Business/
Board Secretary

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

ORGANIZATIONAL CHART



UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2020

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Anthony Buono Jr., President	2022
Joseph T. Lee Jr., Vice President	2022
Peter Ballinger	2022
Sheetal Patel	2020
Fred Pierce	2020
Carmen Pino	2021
Teresa Warburton	2021

OTHER OFFICIALS

Dr. Peter L. Koza, Superintendent

Cherie R. Bratty, Assistant Superintendent for Business / Board Secretary

Kim Fleetwood, Treasurer of School Monies

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

June 30, 2020

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Certified Public Accountants & Consultants
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Upper Deerfield Township School District
Seabrook, New Jersey 08302

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 Upper Deerfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 Upper Deerfield Township School District, in the County of Cumberland, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

Other Information

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

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

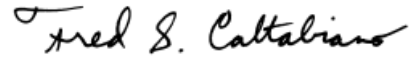
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021 on our consideration of the Upper Deerfield Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Upper Deerfield Township 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 Upper Deerfield Township School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
January 25, 2021

Exhibit K-1

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Upper Deerfield Township School District
Seabrook, New Jersey 08302

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Deerfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Upper Deerfield Township School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Upper Deerfield Township School District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
January 25, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

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

The Management's Discussion and Analysis (MD&A) of the Upper Deerfield Township School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020 and 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The total assets and deferred outflows of resources of the District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,592,235.11 (net position).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,720,459.74, an increase of \$75,579.80 in comparison with the prior year.

Overview of the Financial Statements

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

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

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

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

Overview of the Financial Statements (Cont'd)

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets/deferred outflow of resources and liabilities/deferred inflow of resources – are one way to measure the District's financial health or position.

- Increase or decrease in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

Fund Financial Statements

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

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The District has three kinds of funds:

- *Governmental funds* – The District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services, community education and recreation, and joint pupil transportation.

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

Overview of the Financial Statements (Cont'd)

Fund Financial Statements (Cont'd)

- *Fiduciary funds* – The District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletics and scholarship funds are maintained in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the District is not permitted to use these assets in the District operation.
- *Notes to the Financial Statement* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

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

TABLE 1
Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 3,913,209.78	\$ 3,309,042.70	\$ 604,167.08	18.26%
Capital Assets	<u>14,769,401.47</u>	<u>14,992,975.00</u>	<u>(223,573.53)</u>	<u>-1.49%</u>
Total Assets	<u>18,682,611.25</u>	<u>18,302,017.70</u>	<u>380,593.55</u>	<u>2.08%</u>
Deferred Outflow of Resources	<u>1,119,674.00</u>	<u>1,693,406.00</u>	<u>(573,732.00)</u>	<u>-33.88%</u>
Long-Term Liabilities	5,763,785.23	6,594,999.63	(831,214.40)	-12.60%
Other Liabilities	<u>1,573,307.91</u>	<u>940,908.36</u>	<u>632,399.55</u>	<u>67.21%</u>
Total Liabilities	<u>7,337,093.14</u>	<u>7,535,907.99</u>	<u>(198,814.85)</u>	<u>-2.64%</u>
Deferred Inflow of Resources	<u>1,872,957.00</u>	<u>1,914,203.00</u>	<u>(41,246.00)</u>	<u>-2.15%</u>
Net Position:				
Net Investment in Capital Assets	13,999,401.47	13,827,975.00	171,426.47	1.24%
Restricted	2,928,292.46	2,727,306.23	200,986.23	7.37%
Unrestricted (Deficit)	<u>(6,335,458.82)</u>	<u>(6,009,968.52)</u>	<u>(325,490.30)</u>	<u>5.42%</u>
Total Net Position	<u>\$ 10,592,235.11</u>	<u>\$ 10,545,312.71</u>	<u>\$ 46,922.40</u>	<u>0.44%</u>

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

Financial Analysis of the District as a Whole (Cont'd)

Table 2 reflects changes in net position for fiscal years 2020 and 2019.

TABLE 2
Change in Net Position

Revenues:	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>% Change</u>
Program revenues:				
Charges for services	\$ 2,091,606.48	\$ 2,238,661.44	\$ (147,054.96)	-6.57%
Operating grants and contributions	5,390,507.74	6,028,351.03	(637,843.29)	-10.58%
General revenues:				
Property taxes	7,632,502.00	7,512,241.00	120,261.00	1.60%
Federal & state grants	7,114,584.44	6,935,135.61	179,448.83	2.59%
Other	205,177.14	112,285.86	92,891.28	82.73%
Total Revenues	<u>22,434,377.80</u>	<u>22,826,674.94</u>	<u>(392,297.14)</u>	<u>-1.72%</u>
Expenses:				
Governmental Activities				
Instruction:				
Regular, special education, other	7,252,685.19	7,257,438.54	(4,753.35)	-0.07%
Support services:				
Tuition	361,285.40	271,243.41	90,041.99	33.20%
Student and instruction related services	2,441,703.16	1,925,387.06	516,316.10	26.82%
General administrative services	420,110.48	409,856.83	10,253.65	2.50%
School administrative services	442,712.74	442,119.43	593.31	0.13%
Central services	278,544.00	280,193.83	(1,649.83)	-0.59%
Administrative information technology	108,123.46	84,739.88	23,383.58	27.59%
Plant operations and maintenance	1,368,686.66	1,529,415.83	(160,729.17)	-10.51%
Pupil transportation	2,586,391.23	2,758,035.04	(171,643.81)	-6.22%
Unallocated benefits	6,254,653.24	7,177,808.22	(923,154.98)	-12.86%
Transfer of funds to charter schools	172,884.00	120,341.00	52,543.00	43.66%
Interest on long-term debt	143,834.34	159,432.66	(15,598.32)	-9.78%
Total governmental activities expenses	<u>21,831,613.90</u>	<u>22,416,011.73</u>	<u>(584,397.83)</u>	<u>-2.61%</u>
Business Type Activities				
Food service	475,729.16	428,124.71	47,604.45	11.12%
Community education and recreation fund	80,112.34	64,119.85	15,992.49	24.94%
Total business-type activities expenses	<u>555,841.50</u>	<u>492,244.56</u>	<u>63,596.94</u>	<u>12.92%</u>
Total Expenses	<u>22,387,455.40</u>	<u>22,908,256.29</u>	<u>(520,800.89)</u>	<u>-2.27%</u>
Net Increase (Decrease) in Net Position	46,922.40	(81,581.35)	128,503.75	-157.52%
Beginning Net Position	<u>10,545,312.71</u>	<u>10,626,894.06</u>	<u>(81,581.35)</u>	<u>-0.77%</u>
Ending Net Position	<u>\$ 10,592,235.11</u>	<u>\$ 10,545,312.71</u>	<u>\$ 46,922.40</u>	<u>0.44%</u>

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

Financial Analysis of the District as a Whole (Cont'd)

Governmental-Type Activities

- There was an increase of \$53,529.42 in governmental activities net position.
- Property taxes increased \$120,261.00 or 1.60% from the prior year. Most of this increase is the product of funding general fund services and programs. Property taxes had increased by \$122,574.00 or 1.66% from the 17-18 to the 18-19 school year.
- Total Expenses (GASB level) decreased \$584,397.83 or 2.61% from the prior year.
 - TPAF/PERS Pension related expenses and revenues related to GASB 68, decreased by \$121,934.00 over the prior year (\$2,533,743.00 - \$2,655,677.00).
 - OPEB related expenses and revenues related to GASB 75, decreased by \$857,077.00 over the prior year (\$645,565.00 - \$1,502,642.00).
 - Health Benefits increased by \$11,964.65 over the prior year (\$2,180,534.88 - \$2,168,570.23).
 - General Fund Salaries increased by \$105,185.05 or 1.31% over the prior year (\$8,162,717.74 - \$8,057,532.69)

Business-Type Activities

- There was a decrease of \$6,607.02 or 1.50% in business-type activities net position.
- Expenses for food service activities increased by \$47,604.15 or 11.12%, revenues decreased by \$1,134.88 or 0.23%.
- Expenses for daycare activities services increased by \$15,992.49 or 24.94%, revenues increased by \$8,971.51 or 16.22%.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

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

General Fund Budgetary Highlights

The original and final budgetary basis anticipated revenue was \$14,338,403.00, and actual revenues were \$16,825,784.92.

During fiscal year 2020, the District budgeted \$7,191,949.00 and \$7,054,600.00 for property taxes (general tax levy) and state aid revenues, respectively. The District also received \$2,304,686.20 in On-Behalf payments from the State of New Jersey, which contributes to a favorable revenue variance for the fiscal year.

The original and final budgetary basis expenditures was \$15,540,103.48, and actual expenditures were \$16,678,768.12.

The District's expenditures also include \$2,304,686.20 of On-Behalf payments from the State of New Jersey, which contributes to an unfavorable expenditure variance for the fiscal year.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,720,459.74, an increase of \$75,579.80 in comparison with the prior year.

Of the combined ending fund balances of \$2,720,459.74, \$(448,746.36) constitutes unassigned fund balance (does not include final June State Aid Revenue). The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been committed. For example, to liquidate contracts and purchase orders of the prior period fund balance of \$230,114.11 is assigned.

The general fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$(343,007.16) (does not include final June State Aid Revenue), while total fund balance was \$2,825,857.51.

Proprietary Funds - The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position consisted of the following: \$137,562.09 for the food service program and \$118,434.95 for the daycare program. Other factors concerning the finance of this fund have already been addressed in the discussion of the District's business-type activities.

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

Capital Asset and Debt Administration

Capital Assets - The District's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$14,769,401.47 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

There were no major capital asset events during the fiscal year.

TABLE 3
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land	\$ 110,676.00	\$ 110,676.00
Machinery and Equipment	1,380,974.24	1,484,526.00
Building and Improvements	<u>23,537,459.00</u>	<u>23,537,459.00</u>
Total Capital Assets	<u>25,029,109.24</u>	<u>25,132,661.00</u>
Less: Accumulated Depreciation	<u>(10,259,707.77)</u>	<u>(10,139,686.00)</u>
Net Capital Assets	<u><u>\$ 14,769,401.47</u></u>	<u><u>\$ 14,992,975.00</u></u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements.

Long-term Debt - At the end of the current fiscal year, the District had total bonded debt outstanding of \$770,000.00 (debt outstanding end of prior year was \$1,165,000.00). The entire District's bonded debt is governmental as opposed to business-type. The bonds have a final maturity date of February 1, 2022.

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

Economic Factors and Next Year's Budget

For the 2019-20 school year, the District was able to sustain its budget through property taxes, federal and state aid, and miscellaneous revenue sources.

One of the most important factors affecting the District's budget is state aid. The 2020-21 budget was adopted with a 1.61% tax levy increase; based in part on the state aid the District anticipates receiving. The anticipated state aid general fund amount is shown below.

Summary of budgeted state aid revenue anticipated - general fund

<u>Fiscal Year</u>	<u>Amount</u>	<u>Change</u>	
2020-2021	\$7,287,673	\$233,073	***
2019-2020	7,054,600	173,895	
2018-2019	6,880,705	403,843	
2017-2018	6,336,224	488	**
2016-2017	6,335,736	53,414	
2015-2016	6,282,322	-0-	
2014-2015	6,282,322		

*** = \$159,006.00 was rescinded after adoption of budget

** = awarded an additional \$140,638.00 after adoption of budget

Any reduction of state aid and increase in expenditures will put an additional burden on the taxpayers of Upper Deerfield Township.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cherie R. Bratty, Assistant Superintendent for Business/Board Secretary at:

Upper Deerfield Township School District
 1385 Highway 77
 Seabrook, New Jersey 08302

BASIC FINANCIAL STATEMENTS

GOVERNMENT- WIDE FINANCIAL STATEMENTS

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 2,881,347.51	\$ 336,246.43	\$ 3,217,593.94
Internal Balances	39,566.33	(39,566.33)	
Receivables, net	651,276.78	43,576.30	694,853.08
Inventories		762.76	762.76
Capital Assets, net (Note 6)	14,592,487.13	176,914.34	14,769,401.47
Total Assets	18,164,677.75	517,933.50	18,682,611.25
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,119,674.00		1,119,674.00
Total Deferred Outflows of Resources	1,119,674.00	-	1,119,674.00
LIABILITIES:			
Accounts Payable:			
Other	719,798.08	79,921.61	799,719.69
Related to Pensions	263,828.00		263,828.00
Accrued Interest	12,576.67		12,576.67
Unearned Revenue	46,455.27	5,100.51	51,555.78
Noncurrent Liabilities (Note 7):			
Due within One Year	445,627.77		445,627.77
Due beyond One Year	5,763,785.23		5,763,785.23
Total Liabilities	7,252,071.02	85,022.12	7,337,093.14
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,872,957.00		1,872,957.00
Total Deferred Inflows of Resources	1,872,957.00	-	1,872,957.00
NET POSITION:			
Net Investment in Capital Assets	13,822,487.13	176,914.34	13,999,401.47
Restricted for:			
Capital Projects	640,914.08		640,914.08
Debt Service	341.43		341.43
Other Purposes	2,287,036.95		2,287,036.95
Unrestricted (Deficit)	(6,591,455.86)	255,997.04	(6,335,458.82)
Total Net Position	\$ 10,159,323.73	\$ 432,911.38	\$ 10,592,235.11

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 5,835,616.19		\$ 1,165,818.80		\$ (4,669,797.39)		\$ (4,669,797.39)
Special Education	1,199,749.25				(1,199,749.25)		(1,199,749.25)
Other Special Instruction	217,319.75				(217,319.75)		(217,319.75)
Support Services:							
Tuition	361,285.40				(361,285.40)		(361,285.40)
Student and Instruction Related Services	2,441,703.16		530,709.75		(1,910,993.41)		(1,910,993.41)
General Administrative Services	420,110.48				(420,110.48)		(420,110.48)
School Administrative Services	442,712.74				(442,712.74)		(442,712.74)
Central Services	278,544.00				(278,544.00)		(278,544.00)
Admin Info Technology	108,123.46				(108,123.46)		(108,123.46)
Plant Operations and Maintenance	1,368,686.66				(1,368,686.66)		(1,368,686.66)
Pupil Transportation	2,586,391.23	\$ 1,915,000.65			(671,390.58)		(671,390.58)
Unallocated Benefits	6,254,653.24		3,322,807.20		(2,931,846.04)		(2,931,846.04)
Transfer of Funds to Charter Schools	172,884.00				(172,884.00)		(172,884.00)
Interest on Long-Term Debt	143,834.34				(143,834.34)		(143,834.34)
Total Governmental Activities	21,831,613.90	1,915,000.65	5,019,335.75	-	(14,897,277.50)	-	(14,897,277.50)
Business-Type Activities:							
Food Service	475,729.16	112,892.07	371,171.99			\$ 8,334.90	8,334.90
Community Education and Recreation Fund	80,112.34	63,713.76				(16,398.58)	(16,398.58)
Total Business-Type Activities	555,841.50	176,605.83	371,171.99	-	-	(8,063.68)	(8,063.68)
Total Government	\$ 22,387,455.40	\$ 2,091,606.48	\$ 5,390,507.74	\$ -	(14,897,277.50)	(8,063.68)	(14,905,341.18)
General Revenues:							
Property Taxes:							
Levied for General Purposes					7,191,949.00		7,191,949.00
Levied for Debt Service					440,553.00		440,553.00
Federal and State Aid - Unrestricted					7,114,584.44		7,114,584.44
Miscellaneous					203,720.48	1,456.66	205,177.14
Total General Revenues					14,950,806.92	1,456.66	14,952,263.58
Change in Net Position					53,529.42	(6,607.02)	46,922.40
Net Position -- July 1					10,105,794.31	439,518.40	10,545,312.71
Net Position -- June 30					\$ 10,159,323.73	\$ 432,911.38	\$ 10,592,235.11

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

FUND FINANCIAL STATEMENTS

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 2,701,311.49	\$ -	\$ 65,692.18	\$ -	\$ 2,767,003.67
Interfunds Receivable	237,609.01	7,335.75		1,162.22	246,106.98
Intergovernmental Accounts Receivable:					
Federal		70,255.07			70,255.07
State	133,646.75				133,646.75
Total Assets	<u>\$ 3,072,567.25</u>	<u>\$ 77,590.82</u>	<u>\$ 65,692.18</u>	<u>\$ 1,162.22</u>	<u>\$ 3,217,012.47</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 239,373.99	\$ 4,182.82	\$ -	\$ -	\$ 243,556.81
Interfunds Payable	7,335.75	132,691.93	65,692.18	820.79	206,540.65
Unearned Revenue		46,455.27			46,455.27
Total Liabilities	<u>246,709.74</u>	<u>183,330.02</u>	<u>65,692.18</u>	<u>820.79</u>	<u>496,552.73</u>
Fund Balances:					
Restricted:					
Capital Reserve	640,914.08				640,914.08
Maintenance Reserve	741,413.00				741,413.00
Debt Service				341.43	341.43
Excess Surplus - Current Year	853,701.48				853,701.48
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	691,922.47				691,922.47
Assigned:					
Other Purposes	230,114.11				230,114.11
Designated for Subsequent Year's Expenditures	10,799.53				10,799.53
Unassigned (Deficit)	(343,007.16)	(105,739.20)			(448,746.36)
Total Fund Balances	<u>2,825,857.51</u>	<u>(105,739.20)</u>	<u>-</u>	<u>341.43</u>	<u>2,720,459.74</u>
Total Liabilities and Fund Balances	<u>\$ 3,072,567.25</u>	<u>\$ 77,590.82</u>	<u>\$ 65,692.18</u>	<u>\$ 1,162.22</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,029,109.24, and the accumulated depreciation is \$10,436,622.11.	14,592,487.13
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(12,576.67)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,275,707.00)
Internal Service Net Position	(122,800.47)
Net Pension Liability	(4,761,026.00)
Accounts Payable related to the April 1, 2021 Required PERS pension contribution that is not liquidated with current financial resources.	(254,594.00)
Deferred Outflows of Resources - Related to Pensions	1,080,485.00
Deferred Inflows of Resources - Related to Pensions	<u>(1,807,404.00)</u>
Net Position of Governmental Activities	<u>\$ 10,159,323.73</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 7,191,949.00	\$ -	\$ -	\$ 440,553.00	\$ 7,632,502.00
Unrestricted Miscellaneous Revenues	203,720.48				203,720.48
Federal Sources	41,140.24	744,069.02			785,209.26
State Sources	9,378,130.40	952,078.37			10,330,208.77
Local Sources		381.16			381.16
Total Revenues	16,814,940.12	1,696,528.55	-	440,553.00	18,952,021.67
EXPENDITURES:					
Current:					
Regular Instruction	4,270,365.57	1,226,296.00			5,496,661.57
Special Education Instruction	1,138,121.14				1,138,121.14
Other Special Instruction	217,319.75				217,319.75
Support Services and Undistributed Costs:					
Tuition	361,285.40				361,285.40
Student and Instruction Related Services	1,849,365.30	530,709.75			2,380,075.05
General Administrative Services	352,319.56				352,319.56
School Administrative Services	374,921.82				374,921.82
Central Services	278,544.00				278,544.00
Admin Info Technology	108,123.46				108,123.46
Plant Operations and Maintenance	1,350,198.23				1,350,198.23
Pupil Transportation	698,362.41				698,362.41
Unallocated Benefits	5,134,337.24				5,134,337.24
Transfer of Funds to Charter Schools	172,884.00				172,884.00
Debt Service:					
Principal				395,000.00	395,000.00
Interest and Other Charges	104,618.00			45,668.00	150,286.00
Capital Outlay	268,002.24				268,002.24
Total Expenditures	16,678,768.12	1,757,005.75	-	440,668.00	18,876,441.87
Net Change in Fund Balances	136,172.00	(60,477.20)	-	(115.00)	75,579.80
Fund Balance (Deficit) -- July 1	2,689,685.51	(45,262.00)	-	456.43	2,644,879.94
Fund Balance (Deficit) -- June 30	\$ 2,825,857.51	\$ (105,739.20)	\$ -	\$ 341.43	\$ 2,720,459.74

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	75,579.80
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (616,281.11)	
Capital Outlays	<u>268,002.24</u>	(348,278.87)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		395,000.00
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		(65,281.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(3,490.51)</u>
Change in Net Position of Governmental Activities	\$	<u><u>53,529.42</u></u>

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

Proprietary Funds
Statement of Net Position
June 30, 2020

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food <u>Service</u>	Community Education and <u>Recreation Fund</u>	Total <u>Enterprise</u>	Joint Pupil <u>Transportation</u>
	ASSETS:			
Current Assets:				
Cash and Cash Equivalents	\$ 217,811.48	\$ 118,434.95	\$ 336,246.43	\$ 114,343.84
Accounts Receivable:				
State	393.86		393.86	
Federal	40,817.70		40,817.70	
Other	2,364.74		2,364.74	447,374.96
Inventories	762.76		762.76	
Total Current Assets	<u>262,150.54</u>	<u>118,434.95</u>	<u>380,585.49</u>	<u>561,718.80</u>
Noncurrent Assets:				
Machinery and Equipment	513,153.31		513,153.31	
Less Accumulated Depreciation	<u>(336,238.97)</u>		<u>(336,238.97)</u>	
Total Noncurrent Assets	<u>176,914.34</u>	<u>-</u>	<u>176,914.34</u>	<u>-</u>
Total Assets	<u>439,064.88</u>	<u>118,434.95</u>	<u>557,499.83</u>	<u>561,718.80</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pensions				39,189.00
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,189.00</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable:				
Other	79,921.61		79,921.61	476,241.27
Related to Pensions				9,234.00
Interfund Payable	39,566.33		39,566.33	
Unearned Revenue	5,100.51		5,100.51	
Total Current Liabilities	<u>124,588.45</u>	<u>-</u>	<u>124,588.45</u>	<u>485,475.27</u>
Noncurrent Liabilities:				
Net Pension Liability				172,680.00
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,680.00</u>
Total Liabilities	<u>124,588.45</u>	<u>-</u>	<u>124,588.45</u>	<u>658,155.27</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to Pensions				65,553.00
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,553.00</u>
NET POSITION:				
Net Investment in Capital Assets	176,914.34		176,914.34	
Unrestricted (Deficit)	<u>137,562.09</u>	<u>118,434.95</u>	<u>255,997.04</u>	<u>(122,800.47)</u>
Total Net Position (Deficit)	<u>\$ 314,476.43</u>	<u>\$ 118,434.95</u>	<u>\$ 432,911.38</u>	<u>\$ (122,800.47)</u>

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

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

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	Community Education and Recreation Fund	Total Enterprise	Joint Pupil Transportation
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 40,460.00		\$ 40,460.00	
Daily Sales - Non-Reimbursable Programs	16,832.75		16,832.75	
Miscellaneous	55,599.32		55,599.32	
Tuition and Fees		\$ 63,713.76	63,713.76	
Transportation Fees				\$ 1,914,176.47
Total Operating Revenues	<u>112,892.07</u>	<u>63,713.76</u>	<u>176,605.83</u>	<u>1,914,176.47</u>
OPERATING EXPENSES:				
Salaries	32,000.00	76,303.21	108,303.21	88,171.44
Pension Expense				2,284.00
Cost of Sales - Non-Reimbursable Programs	22,908.37		22,908.37	
Purchased Services (Including Fixed Price Contract)	403,926.82		403,926.82	
Transportation Costs				1,794,209.94
Miscellaneous		3,809.13	3,809.13	5,647.44
Depreciation	16,893.97		16,893.97	
Total Operating Expenses	<u>475,729.16</u>	<u>80,112.34</u>	<u>555,841.50</u>	<u>1,890,312.82</u>
Operating Income / (Loss)	<u>(362,837.09)</u>	<u>(16,398.58)</u>	<u>(379,235.67)</u>	<u>23,863.65</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	4,391.77		4,391.77	
Federal Sources:				
National School Lunch Program	242,388.11		242,388.11	
National School Breakfast Program	95,932.39		95,932.39	
Food Distribution Program	28,459.72		28,459.72	
Interest Earnings	900.32	556.34	1,456.66	824.18
Total Nonoperating Revenues (Expenses)	<u>372,072.31</u>	<u>556.34</u>	<u>372,628.65</u>	<u>824.18</u>
Change in Net Position	9,235.22	(15,842.24)	(6,607.02)	24,687.83
Net Position (Deficit) -- July 1	<u>305,241.21</u>	<u>134,277.19</u>	<u>439,518.40</u>	<u>(147,488.30)</u>
Net Position (Deficit) -- June 30	<u>\$ 314,476.43</u>	<u>\$ 118,434.95</u>	<u>\$ 432,911.38</u>	<u>\$ (122,800.47)</u>

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

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food <u>Service</u>	Community Education and <u>Recreation Fund</u>	Total <u>Enterprise</u>	Joint Pupil <u>Transportation</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 118,385.35	\$ 63,713.76	\$ 182,099.11	\$ 1,603,406.31
Payments to Employees		(76,303.21)	(76,303.21)	(88,171.44)
Payments to Suppliers	<u>(337,296.53)</u>	<u>(3,809.13)</u>	<u>(341,105.66)</u>	<u>(1,509,494.37)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(218,911.18)</u>	<u>(16,398.58)</u>	<u>(235,309.76)</u>	<u>5,740.50</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Federal and State Sources	<u>313,039.90</u>		<u>313,039.90</u>	
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>313,039.90</u>	<u>-</u>	<u>313,039.90</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	<u>(141,599.31)</u>		<u>(141,599.31)</u>	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(141,599.31)</u>	<u>-</u>	<u>(141,599.31)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	<u>900.30</u>	<u>556.34</u>	<u>1,456.64</u>	<u>824.18</u>
Net Cash Provided by (Used for) Investing Activities	<u>900.30</u>	<u>556.34</u>	<u>1,456.64</u>	<u>824.18</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(46,570.29)</u>	<u>(15,842.24)</u>	<u>(62,412.53)</u>	<u>6,564.68</u>
Cash and Cash Equivalents -- July 1	<u>264,381.77</u>	<u>134,277.19</u>	<u>398,658.96</u>	<u>107,779.16</u>
Cash and Cash Equivalents -- June 30	<u>\$ 217,811.48</u>	<u>\$ 118,434.95</u>	<u>\$ 336,246.43</u>	<u>\$ 114,343.84</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (362,837.09)	\$ (16,398.58)	\$ (379,235.67)	\$ 23,863.65
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	16,893.97		16,893.97	
Food Distribution Program	28,459.72		28,459.72	
Increase (Decreased) in Net Pension Liability				2,284.00
(Increase) Decrease in Accounts Receivable	4,169.16		4,169.16	(310,770.16)
(Increase) Decrease in Inventories	(40.57)		(40.57)	
Increase (Decrease) in Other Current Liabilities	<u>94,443.63</u>		<u>94,443.63</u>	<u>290,363.01</u>
Total Adjustments	<u>143,925.91</u>	<u>-</u>	<u>143,925.91</u>	<u>(18,123.15)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (218,911.18)</u>	<u>\$ (16,398.58)</u>	<u>\$ (235,309.76)</u>	<u>\$ 5,740.50</u>

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2020

	<u>Private-Purpose Trust Fund</u>		<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Seabrook Expendable Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 132,704.00	\$ 1,338,520.18	\$ 89,566.30	\$ 12,198.51
Total Assets	<u>132,704.00</u>	<u>1,338,520.18</u>	<u>\$ 89,566.30</u>	<u>\$ 12,198.51</u>
LIABILITIES:				
Payable to Student Groups			\$ 89,566.30	
Payroll Deductions and Withholdings				\$ 12,198.51
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 89,566.30</u>	<u>\$ 12,198.51</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 132,704.00</u>	<u>\$ 1,338,520.18</u>		

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

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

	<u>Private-Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Seabrook Expendable Trust</u>
ADDITIONS:		
Contributions:		
Plan member	\$ 3,624.36	
Other		\$ 90,326.04
Total Contributions	<u>3,624.36</u>	<u>90,326.04</u>
Investment Earnings		
Interest	<u>524.49</u>	<u>10,984.33</u>
Total Investment Earnings	<u>524.49</u>	<u>10,984.33</u>
Total Additions	<u>4,148.85</u>	<u>101,310.37</u>
DEDUCTIONS:		
Miscellaneous		<u>41,000.00</u>
Total Deductions	<u>-</u>	<u>41,000.00</u>
Change in Net Position	4,148.85	60,310.37
Net Position -- July 1	<u>128,555.15</u>	<u>1,278,209.81</u>
Net Position -- June 30	<u>\$ 132,704.00</u>	<u>\$ 1,338,520.18</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members elected to three-year terms. These terms are staggered so that member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through 8 at its three schools. The School District has an approximate enrollment at June 30, 2020 of 847.

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

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

Based upon the application of these criteria, the School District has no component units.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Cumberland County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

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

Community Education and Recreation Fund - This fund accounts for the financial transactions related to providing day care services for the School District students.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains one internal service fund for transportation.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

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

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

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

Seabrook Expendable Trust Fund - Revenues consist of distributions from the CF Seabrook Trust and interest income. Expenditures represent activities for students in accordance with the trust requirements.

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

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

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

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

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

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

Tuition Receivable

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

Prepaid Expenses

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

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 50 Years
Machinery and Equipment	5 - 10 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

Tuition Payable

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

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences**

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2020, the School District's bank balances of \$5,185,326.86 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 3,844,856.01
Uninsured and Uncollateralized	<u>1,340,470.85</u>
Total	<u>\$ 5,185,326.86</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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	\$ 640,564.08
Increased by:	
Interest Earnings	<u>350.00</u>
Ending Balance, June 30, 2020	<u>\$ 640,914.08</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted projects at June 30, 2020 is \$1,450,160.00.

Note 4: ACCOUNTS RECEIVABLE

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

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>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Awards		\$ 70,255.07		\$ 70,255.07	\$ 40,817.70	\$ 111,072.77
State Awards	\$ 133,646.75			133,646.75	393.86	134,040.61
Transportation			\$ 447,374.96	447,374.96		447,374.96
Other					2,364.74	2,364.74
	<u>\$ 133,646.75</u>	<u>\$ 70,255.07</u>	<u>\$ 447,374.96</u>	<u>\$ 651,276.78</u>	<u>\$ 43,576.30</u>	<u>\$ 694,853.08</u>

Note 5: INVENTORY

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

Commodities	<u>\$ 762.76</u>
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Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 110,676.00	\$ -	\$ -	\$ 110,676.00
Total Capital Assets, not being Depreciated	<u>110,676.00</u>	<u>-</u>	<u>-</u>	<u>110,676.00</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	23,537,459.00			23,537,459.00
Machinery and Equipment	1,112,972.00	268,002.24		1,380,974.24
Total Capital Assets, being Depreciated	<u>24,650,431.00</u>	<u>268,002.24</u>	<u>-</u>	<u>24,918,433.24</u>
Total Capital Assets, Cost	<u>24,761,107.00</u>	<u>268,002.24</u>	<u>-</u>	<u>25,029,109.24</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(9,147,037.00)	(521,417.00)		(9,668,454.00)
Machinery and Equipment	(673,304.00)	(94,864.11)		(768,168.11)
Total Accumulated Depreciation	<u>(9,820,341.00)</u>	<u>(616,281.11)</u>	<u>-</u>	<u>(10,436,622.11)</u>
Total Capital Assets, being Depreciated, Net	<u>14,830,090.00</u>	<u>(348,278.87)</u>	<u>-</u>	<u>14,481,811.13</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,940,766.00</u>	<u>\$ (348,278.87)</u>	<u>-</u>	<u>\$ 14,592,487.13</u>
	<u>Balance</u> <u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 371,554.00	\$ 141,599.31		\$ 513,153.31
Less Accumulated Depreciation	(319,345.00)	(16,893.97)	-	(336,238.97)
Business-Type Activities Capital Assets, Net	<u>\$ 52,209.00</u>	<u>\$ 124,705.34</u>	<u>\$ -</u>	<u>\$ 176,914.34</u>

Note 6: CAPITAL ASSETS (CONT'D)**Governmental Activities:**

Regular Instruction	\$ 338,954.61
Special Education Instruction	61,628.12
Student & Instruction Related Services	61,628.11
School Administration	67,790.92
General Administration	67,790.92
Plant Operations and Maintenance	<u>18,488.43</u>

Total Depreciation Expense - Governmental Activities \$ 616,281.11

Business-Type Activities:

Food Service	<u>\$ 16,893.97</u>
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Total Depreciation Expense - Business-Type Activities \$ 16,893.97

Note 7: LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 1,165,000.00	\$ -	\$ (395,000.00)	\$ 770,000.00	\$ 390,000.00
Other Liabilities:					
Compensated Absences	468,793.00	130,673.00	(93,759.00)	505,707.00	55,627.77
Net Pension Liability (note 8)	<u>5,398,398.00</u>	<u>3,101,672.00</u>	<u>(3,566,364.00)</u>	<u>4,933,706.00</u>	<u>-</u>
Total Other Liabilities	<u>5,867,191.00</u>	<u>3,232,345.00</u>	<u>(3,660,123.00)</u>	<u>5,439,413.00</u>	<u>55,627.77</u>
Governmental Activities Long-Term Liabilities	<u>\$ 7,032,191.00</u>	<u>\$ 3,232,345.00</u>	<u>\$ (4,055,123.00)</u>	<u>\$ 6,209,413.00</u>	<u>\$ 445,627.77</u>

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.

On March 14, 2007, the School District issued \$4,785,000.00 in school refunding general obligation bonds at a 3.92% interest rate. The bonds previously issued were for various construction and renovation projects. The final maturity of these bonds is February 1, 2022. The bonds will be paid from property taxes.

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

Bonds Payable (Cont'd) - Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 390,000.00	\$ 30,184.00	\$ 420,184.00
2022	380,000.00	14,896.00	394,896.00
Total	<u>\$ 770,000.00</u>	<u>\$ 45,080.00</u>	<u>\$ 815,080.00</u>

Bonds Authorized but not Issued - As of June 30, 2020, the School District had no authorizations to issue additional bonded debt.

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

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund and internal service fund on an annual basis.

Note 8: PENSION PLANS

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

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

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

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

Vesting and Benefit Provisions

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

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

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 18.14% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$1,223,175.00, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$518,534.20.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 14.03% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$266,340.00, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$144,239.81.

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

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program (Cont'd) - For the fiscal year ended June 30, 2020, employee contributions totaled \$1,633.50, and the School District recognized pension expense, which equaled the required contributions, of \$879.75. There were no forfeitures during the fiscal year.

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

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

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>37,335,027.00</u>
	<u>\$ 37,335,027.00</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. For the June 30, 2019 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2019 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0608350224%, which was an increase of .0001142264% from its proportion measured as of June 30, 2018.

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized \$2,202,120.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2019 measurement date.

Public Employees' Retirement System

Pension Liability - At June 30, 2020, the School District reported a liability of \$4,933,706.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the School District's proportion was .0273813623%, which was a decrease of .0000362841% from its proportion measured as of June 30, 2018.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized pension expense of \$331,623.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2019 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 88,554.00	\$ 21,795.00
Changes of Assumptions	492,649.00	1,712,474.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	77,880.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	274,643.00	60,808.00
School District Contributions Subsequent to the Measurement Date	<u>263,828.00</u>	<u>-</u>
	<u>\$ 1,119,674.00</u>	<u>\$ 1,872,957.00</u>

Deferred outflows of resources in the amount of \$263,828.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2021	\$ (44,450.00)
2022	(394,424.00)
2023	(368,749.00)
2024	(189,258.00)
2025	<u>(20,230.00)</u>
	<u>\$ (1,017,111.00)</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows 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 School District 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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
	Based on Yrs. of Service	Based on Yrs. of Service
Thereafter	2.75% - 5.65%	3.00% - 7.00%
	Based on Yrs. of Service	Based on Yrs. of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

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

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

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of the June 30, 2019 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers would be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Note 8: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2019 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.60% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	TPAF		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	44,026,260.00	37,335,027.00	31,783,416.00
	<u>\$ 44,026,260.00</u>	<u>\$ 37,335,027.00</u>	<u>\$ 31,783,416.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
School District's Proportionate Share of the Net Pension Liability	\$ 6,275,427.00	\$ 4,933,706.00	\$ 3,866,360.00

Pension Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

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

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

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

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

Total Non-Employer OPEB Liability

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020 was \$33,239,218.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0796548047%, which was an increase of 0.0001816730% from its proportion measured as of June 30, 2018.

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

Salary Increases -

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

Based on years of service

Inflation Rate - 2.50%.

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

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.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2019		\$ 36,645,723.00
Changes for the Year:		
Service Cost	\$ 1,253,442.00	
Interest Cost	1,447,721.00	
Difference Between Expected and Actual Experience	(5,613,168.00)	
Changes in Assumptions	495,599.00	
Gross Benefit Payments	(1,020,345.00)	
Member Contributions	<u>30,246.00</u>	
Net Changes		<u>(3,406,505.00)</u>
Balance at June 30, 2020		<u>\$ 33,239,218.00</u>

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

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

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

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

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 39,268,652.00</u>	<u>\$ 33,239,218.00</u>	<u>\$ 28,449,766.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 27,387,634.00	\$ 33,239,218.00	\$ 40,985,514.00

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

OPEB Expense - For the fiscal year ended June 30, 2020, the School District recognized \$645,565.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ 98,767.00	\$ 331,209.00
Difference Between Expected and Actual Experience	-	8,351,779.00
Changes of Assumptions	-	6,755,946.00
	<u>\$ 98,767.00</u>	<u>\$ 15,438,934.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

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

Fiscal Year Ending June 30,	
2021	\$ (2,063,797.00)
2022	(2,063,797.00)
2023	(2,063,797.00)
2024	(2,063,797.00)
2025	(2,063,797.00)
Thereafter	<u>(5,021,182.00)</u>
	<u>\$ (15,340,167.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,310,994.00, \$23,498.00, \$495,072.00, and \$914.00, respectively.

Note 11: RISK MANAGEMENT

The School 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.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2020	\$ -	\$ 3,624.36	\$ 524.49	-	\$ 132,704.00
2019	-	15,939.02	366.13	\$ 22,637.34	128,555.15
2018	-	25,635.86	221.76	56,941.45	134,887.34

Joint Insurance Fund - The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability, Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability, Cyber Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

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:

Gloucester, Cumberland, Salem School Districts Municipal Joint Insurance Fund
 P.O. Box 449
 Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

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

Note 13: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's 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 the District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2020, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$505,707.00 and \$0.00, respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 237,609.01	\$ 7,335.75
Special Revenue	7,335.75	132,691.93
Capital Projects		65,692.18
Debt Service	1,162.22	820.79
Food Service		39,566.33
	<u>\$ 246,106.98</u>	<u>\$ 246,106.98</u>

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

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$343,007.16 in the general fund and \$105,739.20 in the special revenue fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$448,746.36 is less than the June state aid payments

Note 18: FUND BALANCES**RESTRICTED**

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

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$853,701.48. Additionally, \$691,922.47 of excess fund balance generated during 2018-2019 has been restricted and designated for utilization in the 2020-2021 budget.

For Capital Reserve Account - As of June 30, 2020, the balance in the capital reserve account is \$640,914.08. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2020, the balance in the maintenance reserve account is \$741,413.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (Cont'd)**

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$341.43 of debt service fund balance at June 30, 2020.

ASSIGNED

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

General Fund

Other Purposes - As of June 30, 2020, the School District had \$230,114.11 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$10,799.53 of general fund balance at June 30, 2020.

UNASSIGNED

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

General Fund - As of June 30, 2020, \$(343,007.16) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2020, the fund balance of the special revenue fund was a deficit of \$105,739.20, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$105,739.20 is equal to the last state aid payment.

Note 19: SUBSEQUENT EVENTS

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,191,949.00	\$ -	\$ 7,191,949.00	\$ 7,191,949.00	\$ -
Rents and Royalties	8,000.00	-	8,000.00	5,658.00	(2,342.00)
Interest Earned on Capital Reserve Funds	350.00	-	350.00	350.00	-
Interest Earned on Maintenance Reserve	150.00	-	150.00	150.00	-
Unrestricted Miscellaneous Revenues	35,000.00	-	35,000.00	197,562.48	162,562.48
Total - Local Sources	7,235,449.00	-	7,235,449.00	7,395,669.48	160,220.48
State Sources:					
Extraordinary Aid	80,000.00	-	80,000.00	109,689.00	29,689.00
Categorical Transportation Aid	380,486.00	-	380,486.00	380,486.00	-
Categorical Special Education Aid	465,051.00	-	465,051.00	465,051.00	-
Equalization Aid	5,941,599.00	-	5,941,599.00	5,941,599.00	-
Categorical Security Aid	187,464.00	-	187,464.00	187,464.00	-
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	495,072.00	495,072.00
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)	-	-	-	1,310,994.00	1,310,994.00
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)	-	-	-	23,498.00	23,498.00
Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	914.00	914.00
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	474,208.20	474,208.20
Total - State Sources	7,054,600.00	-	7,054,600.00	9,388,975.20	2,334,375.20
Federal Sources:					
Medicaid Reimbursement	48,354.00	-	48,354.00	41,140.24	(7,213.76)
Total - Federal Sources	48,354.00	-	48,354.00	41,140.24	(7,213.76)
Total Revenues	14,338,403.00	-	14,338,403.00	16,825,784.92	2,487,381.92

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 321,339.00	\$ -	\$ 321,339.00	\$ 295,273.87	\$ 26,065.13
Grades 1-5	2,347,794.00	(136,498.52)	2,211,295.48	2,093,708.63	117,586.85
Grades 6-8	1,519,495.00	(35,484.33)	1,484,010.67	1,478,071.35	5,939.32
Home Instruction:					
Salaries of Teachers	10,000.00	(2,159.00)	7,841.00	3,102.50	4,738.50
Purchased Professional-Educational Services	6,000.00	4,659.00	10,659.00	10,658.50	0.50
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	70,400.00	116,781.96	187,181.96	142,013.64	45,168.32
General Supplies	269,193.00	(15,816.59)	253,376.41	245,202.08	8,174.33
Other Objects	2,000.00	340.00	2,340.00	2,335.00	5.00
Total Regular Programs - Instruction	4,546,221.00	(68,177.48)	4,478,043.52	4,270,365.57	207,677.95
Special Education Instruction -					
Multiple Disabilities:					
Salaries of Teachers	230,658.00	39,564.70	270,222.70	270,222.70	-
Other Salaries for Instruction	111,466.00	(47,329.70)	64,136.30	53,301.70	10,834.60
Total Learning and/or Language Disabilities	342,124.00	(7,765.00)	334,359.00	323,524.40	10,834.60
Resource Room / Resource Center:					
Salaries of Teachers	647,063.00	(4,000.00)	643,063.00	633,454.61	9,608.39
Other Salaries for Instruction	234,203.00	-	234,203.00	162,180.50	72,022.50
General Supplies	9,500.00	10,211.63	19,711.63	18,961.63	750.00
Total Resource Room / Resource Center	890,766.00	6,211.63	896,977.63	814,596.74	82,380.89
Total Special Education - Instruction	1,232,890.00	(1,553.37)	1,231,336.63	1,138,121.14	93,215.49

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 118,605.00	\$ -	\$ 118,605.00	\$ 58,775.00	\$ 59,830.00
Other Salaries for Instruction	91,985.00	-	91,985.00	73,361.52	18,623.48
Total Basic Skills / Remedial - Instruction	210,590.00	-	210,590.00	132,136.52	78,453.48
Bilingual Education - Instruction:					
Salaries of Teachers	81,516.00	1,950.00	83,466.00	83,466.00	-
Purchased Professional - Educational Services	36,605.00	(29,750.72)	6,854.28	710.00	6,144.28
General Supplies	1,000.00	10.00	1,010.00	1,007.23	2.77
Total Bilingual Education - Instruction	119,121.00	(27,790.72)	91,330.28	85,183.23	6,147.05
Total Instruction	6,108,822.00	(97,521.57)	6,011,300.43	5,625,806.46	385,493.97
Undistributed Expenditures - Instruction:					
Tuition - Other LEAs Within the State - Regular	3,977.00	-	3,977.00	3,977.00	-
Tuition - Other LEAs Within the State - Special	18,442.00	15,446.13	33,888.13	33,734.00	154.13
Tuition to CSSD & Reg. Day Schools	208,216.00	(37,607.00)	170,609.00	170,607.40	1.60
Tuition to Priv. Sch. For the Disabled W/I State	49,173.00	103,794.00	152,967.00	152,967.00	-
Total Undistributed Expenditures - Instruction	279,808.00	81,633.13	361,441.13	361,285.40	155.73
Undistributed Expenditures - Health Services:					
Salaries	227,091.00	1,365.34	228,456.34	227,735.06	721.28
Purchased Professional and Technical Services	4,000.00	357.50	4,357.50	4,315.00	42.50
Other Purchased Services (400-500 series)	100.00	-	100.00	100.00	-
Supplies and Materials	5,850.00	(157.50)	5,692.50	5,152.57	539.93
Total Undistributed Expenditures - Health Services	237,041.00	1,565.34	238,606.34	237,302.63	1,303.71
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	98,160.00	-	98,160.00	97,964.80	195.20
Purchased Professional - Educational Services	95,000.00	47,197.10	142,197.10	132,245.10	9,952.00
Supplies and Materials	500.00	-	500.00	43.20	456.80
Total Undist. Expend. - Speech, OT, PT & Related Svcs	193,660.00	47,197.10	240,857.10	230,253.10	10,604.00

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undist. Expend. - Oth Supp Serv Std - Extra Serv Salaries	\$ 188,006.00	\$ 32,569.84	\$ 220,575.84	\$ 220,575.84	\$ -
Total Undist. Expend. - Oth Supp Serv Std - Extra Serv	188,006.00	32,569.84	220,575.84	220,575.84	-
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	219,376.00	11,828.00	231,204.00	229,363.80	1,840.20
Other Purchased Prof. and Tech. Services	5,000.00	(3,600.00)	1,400.00	-	1,400.00
Supplies and Materials	4,000.00	-	4,000.00	2,177.16	1,822.84
Total Undistributed Expenditures - Guidance	228,376.00	8,228.00	236,604.00	231,540.96	5,063.04
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	552,536.00	(46,145.00)	506,391.00	506,390.33	0.67
Salaries of Secretarial and Clerical Assistants	44,497.00	-	44,497.00	44,496.96	0.04
Purchased Professional - Educational Services	54,000.00	30,438.00	84,438.00	70,656.29	13,781.71
Other Purchased Prof. and Tech. Services	15,000.00	(3,406.00)	11,594.00	10,967.21	626.79
Misc Pur Serv (400-500 series O/than Resid Costs)	6,000.00	410.34	6,410.34	5,921.46	488.88
Supplies and Materials	9,500.00	1,741.66	11,241.66	11,241.47	0.19
Other Objects	150.00	(106.00)	44.00	-	44.00
Total Undistributed Expenditures - Child Study Teams	681,683.00	(17,067.00)	664,616.00	649,673.72	14,942.28
Undist. Expend. - Improv. Of Inst. Serv.					
Salaries of Other Professional Staff	164,628.00	(12,637.04)	151,990.96	129,655.92	22,335.04
Purchased Professional - Educational Services	500.00	-	500.00	131.00	369.00
Other Purchased Prof. and Tech. Services	14,125.00	(13,430.00)	695.00	-	695.00
Total Undist. Expend. - Improv. Of Inst. Serv.	179,253.00	(26,067.04)	153,185.96	129,786.92	23,399.04
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	115,323.00	8,739.10	124,062.10	122,630.08	1,432.02
Purchased Professional and Technical Services	4,000.00	-	4,000.00	3,759.49	240.51
Other Purchased Services (400-500 series)	400.00	-	400.00	290.66	109.34
Supplies and Materials	6,000.00	-	6,000.00	2,949.70	3,050.30
Total Undistributed Expend. - Educational Media Services / Sch Library	125,723.00	8,739.10	134,462.10	129,629.93	4,832.17

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	\$ 25,000.00	\$ 5,000.00	\$ 30,000.00	\$ 19,720.50	\$ 10,279.50
Other Purchased Services (400-500 series)	6,500.00	-	6,500.00	881.70	5,618.30
Supplies and Materials	500.00	-	500.00	-	500.00
Other Objects	350.00	-	350.00	-	350.00
	<u>32,350.00</u>	<u>5,000.00</u>	<u>37,350.00</u>	<u>20,602.20</u>	<u>16,747.80</u>
Total Undistributed Expenditures - Instructional Staff Training Services:					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	218,145.00	(4,410.08)	213,734.92	213,734.64	0.28
Legal Services	7,822.50	3,299.35	11,121.85	11,077.90	43.95
Audit Fees	20,000.00	(500.00)	19,500.00	19,380.00	120.00
Architectural/Engineering Services	5,000.00	(5,000.00)	-	-	-
Other Purchased Professional Services	12,000.00	(3,486.36)	8,513.64	4,750.00	3,763.64
Communications / Telephone	45,000.00	(3,183.00)	41,817.00	39,775.16	2,041.84
BOE Other Purchased Services	4,000.00	(390.27)	3,609.73	2,954.54	655.19
Misc. Purch Serv (400-500)	50,000.00	(2,009.08)	47,990.92	47,990.90	0.02
General Supplies	5,000.00	(2,500.00)	2,500.00	2,498.62	1.38
BOE In-House Training/Meeting Supplies	750.00	-	750.00	-	750.00
Miscellaneous Expenditures	4,000.00	-	4,000.00	2,555.00	1,445.00
BOE Membership Dues and Fees	7,500.00	103.00	7,603.00	7,602.80	0.20
	<u>379,217.50</u>	<u>(18,076.44)</u>	<u>361,141.06</u>	<u>352,319.56</u>	<u>8,821.50</u>
Total Undistributed Expenditures - Support Services - General Admin					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Asst. Principals/Prog Dir	134,637.00	1,187.00	135,824.00	131,163.64	4,660.36
Salaries of Secretarial and Clerical Assistants	190,537.00	2,943.51	193,480.51	189,171.24	4,309.27
Other Purchased Services (400-500 series)	31,500.00	1,255.00	32,755.00	32,144.11	610.89
Supplies and Materials	19,000.00	2,126.49	21,126.49	19,728.83	1,397.66
Other Objects	7,000.00	(4,050.00)	2,950.00	2,714.00	236.00
	<u>382,674.00</u>	<u>3,462.00</u>	<u>386,136.00</u>	<u>374,921.82</u>	<u>11,214.18</u>
Total Undistributed Expenditures - Support Services - School Admin					

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Central Services:					
Salaries	\$ 228,977.00	\$ 317.08	\$ 229,294.08	\$ 229,294.08	\$ -
Purchased Technical Services	28,000.00	3,793.00	31,793.00	31,633.55	159.45
Misc. Purchased Services	7,000.00	957.92	7,957.92	7,956.33	1.59
Supplies and Materials	6,527.39	1,372.00	7,899.39	7,804.42	94.97
Miscellaneous Expenditures	3,500.00	(1,643.96)	1,856.04	1,855.62	0.42
Total Undistributed Expenditures - Central Services	274,004.39	4,796.04	278,800.43	278,544.00	256.43
Undistributed Expenditures - Admin. Info Technology:					
Salaries	29,461.00	664.96	30,125.96	30,125.96	-
Purchased Professional Services	80,500.00	(45,293.72)	35,206.28	34,282.53	923.75
Other Purchased Services	5,000.00	(1,200.00)	3,800.00	450.00	3,350.00
Supplies and Materials	20,000.00	22,913.97	42,913.97	42,913.97	-
Other Objects	500.00	-	500.00	351.00	149.00
Total Undistributed Expenditures - Admin. Info Technology	135,461.00	(22,914.79)	112,546.21	108,123.46	4,422.75
Undistributed Expenditures - Required Maint for School Facilities:					
Salaries	81,966.00	-	81,966.00	81,966.00	-
Cleaning, Repair and Maintenance Services	304,100.00	(126,249.25)	177,850.75	144,445.73	33,405.02
Lead Testing of Drinking Water	1,000.00	-	1,000.00	-	1,000.00
General Supplies	90,000.00	(53,933.14)	36,066.86	23,396.07	12,670.79
Total Undistributed Expenditures - Required Maint for School Facilities	477,066.00	(180,182.39)	296,883.61	249,807.80	47,075.81
Undistributed Expenditures - Custodial Services:					
Salaries	501,233.00	(6,843.26)	494,389.74	439,882.33	54,507.41
Salaries of Non-Instructional Aides	99,681.00	(5,257.02)	94,423.98	43,703.80	50,720.18
Purchased Professional and Technical Services	19,500.00	(750.00)	18,750.00	16,398.75	2,351.25
Cleaning, Repair and Maintenance Services	45,107.29	10,121.17	55,228.46	50,328.56	4,899.90
Other Purchased Property Services	5,000.00	(4,225.00)	775.00	-	775.00
Insurance	80,000.00	(1,503.91)	78,496.09	76,575.39	1,920.70
General Supplies	71,650.68	26,915.15	98,565.83	56,834.46	41,731.37
Energy (Natural Gas)	88,000.00	11,681.00	99,681.00	94,498.93	5,182.07
Energy (Electricity)	320,000.00	(3,249.66)	316,750.34	291,727.99	25,022.35
Energy (Oil)	5,000.00	-	5,000.00	1,535.21	3,464.79
Energy (Gasoline)	5,000.00	(400.00)	4,600.00	2,793.48	1,806.52
Other Objects	3,000.00	3,279.23	6,279.23	6,166.65	112.58
Total Undistributed Expenditures - Custodial Services	1,243,171.97	29,767.70	1,272,939.67	1,080,445.55	192,494.12

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	\$ 40,997.00	\$ -	\$ 40,997.00	\$ 19,944.88	\$ 21,052.12
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>40,997.00</u>	<u>-</u>	<u>40,997.00</u>	<u>19,944.88</u>	<u>21,052.12</u>
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	35,000.00	(14,000.00)	21,000.00	20,651.00	349.00
Contract. Serv. - Aid in Lieu Payments - NonPub Sch	65,000.00	(27,580.00)	37,420.00	37,419.30	0.70
Contract. Serv. - Aid in Lieu Payments - Choice Sch	15,000.00	6,110.00	21,110.00	21,110.00	-
Contr Serv (Bet. Home and Sch) - Vendors	40,000.00	(40,000.00)	-	-	-
Contr Serv (Oth. Than Bet Home & amp; Sch) - Vend	5,000.00	1,455.00	6,455.00	5,970.00	485.00
Contr Serv (Bet. Home & amp; Sch) - Joint Agreements	420,000.00	(17,000.00)	403,000.00	362,660.29	40,339.71
Contract. Serv. (Reg. Students) - ESCs & CTSA	4,000.00	(1,971.82)	2,028.18	-	2,028.18
Contract. Serv. (Spl. Ed. Students) - ESCs & CTSA	250,000.00	100,551.82	350,551.82	250,551.82	100,000.00
Total Undistributed Expenditures - Student Transportation Services	<u>834,000.00</u>	<u>7,565.00</u>	<u>841,565.00</u>	<u>698,362.41</u>	<u>143,202.59</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	209,404.62	83,725.15	293,129.77	243,129.77	50,000.00
Other Retirement Contributions - PERS	290,000.00	(5,635.15)	284,364.85	268,769.63	15,595.22
Unemployment Compensation	5,000.00	-	5,000.00	-	5,000.00
Workmen's Compensation	115,000.00	-	115,000.00	112,531.06	2,468.94
Health Benefits	2,368,017.00	(64,094.00)	2,303,923.00	2,180,534.88	123,388.12
Tuition Reimbursement	33,185.00	6,295.00	39,480.00	21,624.90	17,855.10
Other Employee Benefits	25,000.00	-	25,000.00	3,060.80	21,939.20
Total Unallocated Benefits - Employee Benefits	<u>3,045,606.62</u>	<u>20,291.00</u>	<u>3,065,897.62</u>	<u>2,829,651.04</u>	<u>236,246.58</u>
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-		495,072.00	(495,072.00)
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)		-		1,310,994.00	(1,310,994.00)
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)		-		23,498.00	(23,498.00)
Long-Term Disability Insurance (On-Behalf - Non-Budgeted)		-		914.00	(914.00)
Reimbursed TPAF Social Security (Non-Budgeted)		-		474,208.20	(474,208.20)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,304,686.20</u>	<u>(2,304,686.20)</u>
Total Undistributed Expenditures	<u>8,958,098.48</u>	<u>(13,493.41)</u>	<u>8,944,605.07</u>	<u>10,507,457.42</u>	<u>(1,562,852.35)</u>
Interest Earned on Maintenance Reserve	150.00	-	150.00	-	150.00
Total Current Expense	<u>15,067,070.48</u>	<u>(111,014.98)</u>	<u>14,956,055.50</u>	<u>16,133,263.88</u>	<u>(1,177,208.38)</u>

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay:					
Equipment:					
Grades 1-5	\$ -	\$ 16,231.23	\$ 16,231.23	\$ 10,374.56	\$ 5,856.67
Grades 6-8	-	27,365.73	27,365.73	24,437.40	2,928.33
Undistributed Expenditures					
Required Maintenance for School Facilities	173,676.00	86,071.30	259,747.30	233,190.28	26,557.02
Total Equipment	<u>173,676.00</u>	<u>129,668.26</u>	<u>303,344.26</u>	<u>268,002.24</u>	<u>35,342.02</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	104,618.00	-	104,618.00	104,618.00	-
Interest Deposit to Capital Reserve	350.00	-	350.00	-	350.00
Total Capital Outlay	<u>278,644.00</u>	<u>129,668.26</u>	<u>408,312.26</u>	<u>372,620.24</u>	<u>35,692.02</u>
Transfer of Funds to Charter Schools	194,389.00	(18,653.28)	175,735.72	172,884.00	2,851.72
Total Expenditures	<u>15,540,103.48</u>	<u>(0.00)</u>	<u>15,540,103.48</u>	<u>16,678,768.12</u>	<u>(1,138,664.64)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,201,700.48)	0.00	(1,201,700.48)	147,016.80	1,348,717.28
Fund Balances, July 1	3,339,018.51	-	3,339,018.51	3,339,018.51	
Fund Balances, June 30	<u>\$ 2,137,318.03</u>	<u>\$ 0.00</u>	<u>\$ 2,137,318.03</u>	<u>\$ 3,486,035.31</u>	<u>\$ 1,348,717.28</u>

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Recapitulation of Fund Balances:					
Restricted:					
Capital Reserve				\$ 640,914.08	
Maintenance Reserve				741,413.00	
Excess Surplus - Current Year				853,701.48	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				691,922.47	
Assigned:					
Year-End Encumbrances				230,114.11	
Designated for Subsequent Year's Expenditures				10,799.53	
Unassigned				<u>317,170.64</u>	
				3,486,035.31	
Reconciliation to Governmental Funds Statements(GAAP):					
June 2020 State Aid Payments Not Recognized on GAAP Basis				<u>(660,177.80)</u>	
				<u>\$ 2,825,857.51</u>	

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
SPECIAL REVENUE FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
State Sources:					
Preschool Education Aid	\$ 1,057,392.00	\$ -	\$ 1,057,392.00	\$ 1,012,555.57	\$ 44,836.43
Total - State Sources	1,057,392.00	-	1,057,392.00	1,012,555.57	44,836.43
Local Sources:					
JIF Financial Award	-	2,000.00	2,000.00	381.16	1,618.84
Total - Local Sources	-	2,000.00	2,000.00	381.16	1,618.84
Federal Sources:					
Title I	336,412.00	-	336,412.00	336,412.00	-
Title II	41,463.00	-	41,463.00	41,463.00	-
Title IV	21,089.00	-	21,089.00	15,000.00	6,089.00
IDEA Basic	228,528.00	-	228,528.00	228,528.00	-
IDEA Preschool	5,514.00	-	5,514.00	5,514.00	-
CARES Act - Education Stabilization Fund	-	271,948.00	271,948.00	31,451.19	240,496.81
Total - Federal Sources	633,006.00	271,948.00	904,954.00	658,368.19	246,585.81
Total Revenues	1,690,398.00	273,948.00	1,964,346.00	1,671,304.92	293,041.08
EXPENDITURES:					
Instruction:					
Salaries of Teachers	597,263.00	-	597,263.00	597,263.00	-
Other Salaries for Instruction	337,082.00	-	337,082.00	337,082.00	-
Purchased Services Instruction	71,089.00	-	71,089.00	65,000.00	6,089.00
Other Purchased Services	178,528.00	-	178,528.00	178,528.00	-
General Supplies	52,931.00	273,948.00	326,879.00	53,012.88	273,866.12
Other Objects	15,000.00	-	15,000.00	10,408.20	4,591.80
Total Instruction	1,251,893.00	273,948.00	1,525,841.00	1,241,294.08	284,546.92
Support Services:					
Salaries of Program Directors	23,363.00	-	23,363.00	23,363.00	-
Other Salaries	38,179.00	-	38,179.00	38,179.00	-
Salaries of Master Teachers	60,891.00	-	60,891.00	60,891.00	-
Personal Services - Employee Benefits	298,922.00	-	298,922.00	298,922.00	-
Other Purchased Professional - Ed. Services	2,000.00	-	2,000.00	-	2,000.00
Contr Serv-Trans.(Bet. Home & School)	3,400.00	-	3,400.00	905.84	2,494.16
Contr Serv-Trans.(Field Trips)	5,000.00	(1,000.00)	4,000.00	-	4,000.00
Travel	2,500.00	(1,350.00)	1,150.00	1,150.00	-
Miscellaneous Purchased Services	4,250.00	2,350.00	6,600.00	6,600.00	-
Total Support Services	438,505.00	-	438,505.00	430,010.84	8,494.16
Total Expenditures	1,690,398.00	273,948.00	1,964,346.00	1,671,304.92	293,041.08
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 16,825,784.92	\$ 1,671,304.92
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(96,538.12)
Prior Year		182,238.95
The June 2019 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	649,333.00	45,262.00
The June 2020 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(660,177.80)</u>	<u>(105,739.20)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 16,814,940.12</u></u>	<u><u>\$ 1,696,528.55</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 16,678,768.12	\$ 1,671,304.92
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(96,538.12)
Prior Year		182,238.95
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 16,678,768.12</u></u>	<u><u>\$ 1,757,005.75</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

	Measurement Date Ending June 30,						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0273813623%	0.0274176464%	0.0271764732%	0.0252999340%	0.0260388180%	0.0237927501%	0.0247730670%
School District's Proportionate Share of the Net Pension Liability	\$ 4,933,706.00	\$ 5,398,398.00	\$ 6,326,249.00	\$ 7,493,115.00	\$ 5,845,193.00	\$ 4,454,654.00	\$ 4,734,625.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,148,708.00	\$ 2,062,200.00	\$ 2,036,044.00	\$ 1,904,992.00	\$ 1,854,124.00	\$ 1,821,580.00	\$ 1,870,116.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	229.61%	261.78%	310.71%	393.34%	315.25%	244.55%	253.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	Fiscal Year Ended June 30,						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 263,828.00	\$ 266,341.00	\$ 272,717.00	\$ 251,761.00	\$ 224,761.00	\$ 223,864.00	\$ 196,144.00
Contributions in Relation to the Contractually Required Contribution	<u>(263,828.00)</u>	<u>(266,341.00)</u>	<u>(272,717.00)</u>	<u>(251,761.00)</u>	<u>(224,761.00)</u>	<u>(223,864.00)</u>	<u>(196,144.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,879,813.00	\$ 1,844,815.00	\$ 1,883,827.00	\$ 1,838,586.00	\$ 1,776,658.00	\$ 1,639,516.00	\$ 1,660,796.00
Contributions as a Percentage of School District's Covered Payroll	14.03%	14.44%	14.48%	13.69%	12.65%	13.65%	11.81%

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

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

	Measurement Date Ending June 30,						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>37,335,027.00</u>	<u>38,629,266.00</u>	<u>38,840,746.00</u>	<u>45,307,839.00</u>	<u>38,680,476.00</u>	<u>32,845,085.00</u>	<u>32,243,472.00</u>
	<u>\$ 37,335,027.00</u>	<u>\$ 38,629,266.00</u>	<u>\$ 38,840,746.00</u>	<u>\$ 45,307,839.00</u>	<u>\$ 38,680,476.00</u>	<u>\$ 32,845,085.00</u>	<u>\$ 32,243,472.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 7,600,812.00	\$ 7,534,408.00	\$ 7,505,232.00	\$ 6,971,856.00	\$ 6,927,228.00	\$ 7,347,528.00	\$ 7,102,888.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	491.20%	512.70%	517.52%	649.87%	558.38%	447.02%	453.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

This schedule is not applicable.

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

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2020

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017, 4.86% 2018 and 5.60% 2019.

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

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2015 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males, and a 100.3% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

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

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

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

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

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 1,253,442.00	\$ 1,434,672.00	\$ 1,735,555.00
Interest Cost	1,447,721.00	1,567,608.00	1,359,330.00
Difference Between Expected and Actual Experience	(5,613,168.00)	(4,027,371.00)	-
Changes in Assumptions	495,599.00	(4,205,280.00)	(5,751,988.00)
Gross Benefit Payments	(1,020,345.00)	(979,894.00)	(991,851.00)
Member Contributions	<u>30,246.00</u>	<u>33,867.00</u>	<u>36,522.00</u>
Net Change in Total Non-Employer OPEB Liability	(3,406,505.00)	(6,176,398.00)	(3,612,432.00)
Total Non-Employer OPEB Liability - July 1	<u>36,645,723.00</u>	<u>42,822,121.00</u>	<u>46,434,553.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 33,239,218.00</u>	<u>\$ 36,645,723.00</u>	<u>\$ 42,822,121.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 8,205,644.00</u>	<u>\$ 8,196,598.00</u>	<u>\$ 8,219,375.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	405.08%	447.08%	520.99%

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

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

Changes of Benefit Terms - None

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	<u>Total</u>	<u>ESSA</u>			<u>IDEA</u>		<u>CARES Act - Education Stabilization Fund</u>	<u>JIF Financial Award</u>	<u>Preschool Education Aid</u>
		<u>Title I</u>	<u>Title II</u>	<u>Title IV</u>	<u>Basic</u>	<u>Preschool</u>			
REVENUES:									
Federal Sources	\$ 658,368.19	\$ 336,412.00	\$ 41,463.00	\$ 15,000.00	\$ 228,528.00	\$ 5,514.00	\$ 31,451.19		
State Sources	1,012,555.57								\$ 1,012,555.57
Local Sources	381.16							\$ 381.16	
Total Revenues	1,671,304.92	336,412.00	41,463.00	15,000.00	228,528.00	5,514.00	31,451.19	381.16	1,012,555.57
EXPENDITURES:									
Instruction:									
Salaries of Teachers	597,263.00	164,935.00	30,713.00						401,615.00
Other Salaries for Instruction	337,082.00	101,948.00				5,514.00			229,620.00
Purchased Services Instruction	65,000.00			15,000.00	50,000.00				
Other Purchased Services	178,528.00				178,528.00				
General Supplies	53,012.88	3,125.00					31,451.19	381.16	18,055.53
Other Objects	10,408.20								10,408.20
Total Instruction	1,241,294.08	270,008.00	30,713.00	15,000.00	228,528.00	5,514.00	31,451.19	381.16	659,698.73
Support Services:									
Salaries of Program Directors	23,363.00								23,363.00
Other Salaries	38,179.00								38,179.00
Salaries of Master Teachers	60,891.00								60,891.00
Personal Services - Employee Benefits	298,922.00	66,404.00	10,750.00						221,768.00
Contr Serv-Trans.(Bet. Home & School)	905.84								905.84
Travel	1,150.00								1,150.00
Miscellaneous Purchased Services	6,600.00								6,600.00
Total Support Services	430,010.84	66,404.00	10,750.00	-	-	-	-	-	352,856.84
Total Expenditures	\$ 1,671,304.92	\$ 336,412.00	\$ 41,463.00	\$ 15,000.00	\$ 228,528.00	\$ 5,514.00	\$ 31,451.19	\$ 381.16	\$ 1,012,555.57

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Preschool Education Aid Schedule of Expenditures - Budgetary Basis
 All Programs
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 401,615.00	\$ -	\$ 401,615.00	\$ 401,615.00	\$ -
Other Salaries for Instruction	229,620.00	-	229,620.00	229,620.00	-
General Supplies	49,806.00	-	49,806.00	18,055.53	31,750.47
Other Objects	15,000.00	-	15,000.00	10,408.20	4,591.80
Total Instruction	696,041.00	-	696,041.00	659,698.73	36,342.27
Support Services:					
Salaries of Program Directors	23,363.00	-	23,363.00	23,363.00	-
Other Salaries	38,179.00	-	38,179.00	38,179.00	-
Salaries of Master Teachers	60,891.00	-	60,891.00	60,891.00	-
Personal Services - Employee Benefits	221,768.00	-	221,768.00	221,768.00	-
Other Purchased Professional - Ed. Services	2,000.00	-	2,000.00	-	2,000.00
Contr Serv-Trans.(Bet. Home & School)	3,400.00	-	3,400.00	905.84	2,494.16
Contr Serv-Trans.(Field Trips)	5,000.00	(1,000.00)	4,000.00	-	4,000.00
Travel	2,500.00	(1,350.00)	1,150.00	1,150.00	-
Miscellaneous Purchased Services	4,250.00	2,350.00	6,600.00	6,600.00	-
Total Support Services	361,351.00	-	361,351.00	352,856.84	8,494.16
Total Expenditures	\$ 1,057,392.00	\$ -	\$ 1,057,392.00	\$ 1,012,555.57	\$ 44,836.43

Calculation of Budget and Carryover

Total 2019-2020 Preschool Education Aid Allocation	\$ 1,057,392.00
Add: Actual Preschool Education Aid Carryover June 30, 2019	-
Add: Budgeted transfer from the General Fund 2019-20	-
Total Preschool Education Aid Funds Available for 2019-20 Budget	1,057,392.00
Less: 2018-19 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(1,057,392.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020	-
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>44,836.43</u>
2019-20 Carryover - Preschool Education Aid	\$ 44,836.43
2019-20 Preschool Education Aid Carryover Budgeted in 2020-21	\$ -

PROPRIETARY FUNDS

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
Combining Statement of Net Position
June 30, 2020

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation Fund</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 217,811.48	\$ 118,434.95	\$ 336,246.43
Accounts Receivable:			
State	393.86		393.86
Federal	40,817.70		40,817.70
Other	2,364.74		2,364.74
Inventories	762.76		762.76
Total Current Assets	<u>262,150.54</u>	<u>118,434.95</u>	<u>380,585.49</u>
Noncurrent Assets:			
Machinery and Equipment	513,153.31		513,153.31
Less Accumulated Depreciation	<u>(336,238.97)</u>		<u>(336,238.97)</u>
Total Noncurrent Assets	<u>176,914.34</u>	<u>-</u>	<u>176,914.34</u>
Total Assets	<u>439,064.88</u>	<u>118,434.95</u>	<u>557,499.83</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	79,921.61		79,921.61
Interfund Payable	39,566.33		39,566.33
Unearned Revenue	5,100.51		5,100.51
Total Liabilities	<u>124,588.45</u>	<u>-</u>	<u>124,588.45</u>
NET POSITION:			
Net Investment in Capital Assets	176,914.34		176,914.34
Unrestricted	<u>137,562.09</u>	<u>118,434.95</u>	<u>255,997.04</u>
Total Net Position	<u>\$ 314,476.43</u>	<u>\$ 118,434.95</u>	<u>\$ 432,911.38</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Food Service	Community Education and Recreation Fund	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 40,460.00		\$ 40,460.00
Daily Sales - Non-Reimbursable Programs	16,832.75		16,832.75
Miscellaneous	55,599.32		55,599.32
Tuition and Fees		\$ 63,713.76	63,713.76
Total Operating Revenues	<u>112,892.07</u>	<u>63,713.76</u>	<u>176,605.83</u>
OPERATING EXPENSES:			
Salaries	32,000.00	76,303.21	108,303.21
Cost of Sales - Non-Reimbursable Programs	22,908.37		22,908.37
Purchased Services (Including Fixed Price Contract)	403,926.82		403,926.82
Miscellaneous		3,809.13	3,809.13
Depreciation	16,893.97		16,893.97
Total Operating Expenses	<u>475,729.16</u>	<u>80,112.34</u>	<u>555,841.50</u>
Operating Income / (Loss)	<u>(362,837.09)</u>	<u>(16,398.58)</u>	<u>(379,235.67)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	4,391.77		4,391.77
Federal Sources:			
National School Lunch Program	242,388.11		242,388.11
National School Breakfast Program	95,932.39		95,932.39
Food Distribution Program	28,459.72		28,459.72
Interest Earnings	900.32	556.34	1,456.66
Total Nonoperating Revenues (Expenses)	<u>372,072.31</u>	<u>556.34</u>	<u>372,628.65</u>
Change in Net Position	9,235.22	(15,842.24)	(6,607.02)
Net Position -- July 1	<u>305,241.21</u>	<u>134,277.19</u>	<u>439,518.40</u>
Net Position -- June 30	<u>\$ 314,476.43</u>	<u>\$ 118,434.95</u>	<u>\$ 432,911.38</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Food Service	Community Education and Recreation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 118,385.35	\$ 63,713.76	\$ 182,099.11
Payments to Employees		(76,303.21)	(76,303.21)
Payments to Suppliers	(337,296.53)	(3,809.13)	(341,105.66)
Net Cash Provided by (Used for) Operating Activities	<u>(218,911.18)</u>	<u>(16,398.58)</u>	<u>(235,309.76)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	<u>313,039.90</u>		<u>313,039.90</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>313,039.90</u>	-	<u>313,039.90</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	<u>(141,599.31)</u>		<u>(141,599.31)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(141,599.31)</u>	-	<u>(141,599.31)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earnings	<u>900.30</u>	<u>556.34</u>	<u>1,456.64</u>
Net Cash Provided by (Used for) Investing Activities	<u>900.30</u>	<u>556.34</u>	<u>1,456.64</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(46,570.29)	(15,842.24)	(62,412.53)
Cash and Cash Equivalents -- July 1	<u>264,381.77</u>	<u>134,277.19</u>	<u>398,658.96</u>
Cash and Cash Equivalents -- June 30	<u>\$ 217,811.48</u>	<u>\$ 118,434.95</u>	<u>\$ 336,246.43</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (362,837.09)	\$ (16,398.58)	\$ (379,235.67)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	16,893.97		16,893.97
Food Distribution Program	28,459.72		28,459.72
(Increase) Decrease in Accounts Receivable	4,169.16		4,169.16
(Increase) Decrease in Inventories	(40.57)		(40.57)
Increase (Decrease) in Other Current Liabilities	<u>94,443.63</u>		<u>94,443.63</u>
Total Adjustments	<u>143,925.91</u>	-	<u>143,925.91</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (218,911.18)</u>	<u>\$ (16,398.58)</u>	<u>\$ (235,309.76)</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Position
June 30, 2020

	Governmental Activities - Internal Service Fund
	Joint Pupil Transportation
ASSETS:	
Cash and Cash Equivalents	\$ 114,343.84
Accounts Receivable - Other	447,374.96
Total Assets	561,718.80
DEFERRED OUTFLOWS OF RESOURCES:	
Related to Pensions	39,189.00
Total Deferred Outflows of Resources	39,189.00
LIABILITIES:	
Current Liabilities:	
Accounts Payable:	
Other	476,241.27
Related to Pensions	9,234.00
Total Current Liabilities	485,475.27
Noncurrent Liabilities:	
Net Pension Liability	172,680.00
Total Noncurrent Liabilities	172,680.00
Total Liabilities	658,155.27
DEFERRED INFLOWS OF RESOURCES:	
Related to Pensions	65,553.00
Total Deferred Inflows of Resources	65,553.00
NET POSITION:	
Unrestricted (Deficit)	(122,800.47)
Total Net Position (Deficit)	\$ (122,800.47)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
	<u>Joint Pupil Transportation</u>
OPERATING REVENUES:	
Charges for Services:	
Transportation Fees	\$ 1,914,176.47
Total Operating Revenues	<u>1,914,176.47</u>
OPERATING EXPENSES:	
Salaries	88,171.44
Pension Expense	2,284.00
Transportation Costs	1,794,209.94
Miscellaneous	<u>5,647.44</u>
Total Operating Expenses	<u>1,890,312.82</u>
Operating Income (Loss)	<u>23,863.65</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Earnings	<u>824.18</u>
Total Nonoperating Revenues (Expenses)	<u>824.18</u>
Change in Net Position	24,687.83
Net Position (Deficit) -- July 1	<u>(147,488.30)</u>
Net Position (Deficit) -- June 30	<u><u>\$ (122,800.47)</u></u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
	<u>Joint Pupil Transportation</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 1,603,406.31
Payments to Employees	(88,171.44)
Payments to Suppliers	<u>(1,509,494.37)</u>
Net Cash Provided by (Used for) Operating Activities	<u>5,740.50</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Earnings	<u>824.18</u>
Net Cash Provided by (Used for) Investing Activities	<u>824.18</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,564.68
Cash and Cash Equivalents -- July 1	<u>107,779.16</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 114,343.84</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 23,863.65
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Increase (Decreased) in Net Pension Liability	2,284.00
(Increase) Decrease in Accounts Receivable	(310,770.16)
Increase (Decrease) in Other Current Liabilities	<u>290,363.01</u>
Total Adjustments	<u>(18,123.15)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 5,740.50</u></u>

FIDUCIARY FUNDS

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Fiduciary Net Position
June 30, 2020

	Private-Purpose Trust Fund		Agency Funds		Total
	Unemployment Compensation Trust	Seabrook Expendable Trust	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 132,704.00	\$ 1,338,520.18	\$ 89,566.30	\$ 12,198.51	\$ 1,572,988.99
Total Assets	<u>132,704.00</u>	<u>1,338,520.18</u>	<u>\$ 89,566.30</u>	<u>\$ 12,198.51</u>	<u>1,572,988.99</u>
LIABILITIES:					
Payable to Student Groups			\$ 89,566.30		89,566.30
Payroll Deductions and Withholdings				\$ 12,198.51	12,198.51
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 89,566.30</u>	<u>\$ 12,198.51</u>	<u>101,764.81</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 132,704.00</u>	<u>\$ 1,338,520.18</u>			<u>\$ 1,471,224.18</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Private-Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Seabrook Expendable Trust</u>	
ADDITIONS:			
Contributions:			
Plan Member	\$ 3,624.36		\$ 3,624.36
Other		\$ 90,326.04	90,326.04
Total Contributions	<u>3,624.36</u>	<u>90,326.04</u>	<u>93,950.40</u>
Investment Earnings:			
Interest	<u>524.49</u>	<u>10,984.33</u>	<u>11,508.82</u>
Total Investment Earnings	<u>524.49</u>	<u>10,984.33</u>	<u>11,508.82</u>
Total Additions	<u>4,148.85</u>	<u>101,310.37</u>	<u>105,459.22</u>
DEDUCTIONS:			
Miscellaneous		<u>41,000.00</u>	<u>41,000.00</u>
Total Deductions	<u>-</u>	<u>41,000.00</u>	<u>41,000.00</u>
Change in Net Position	4,148.85	60,310.37	64,459.22
Net Position -- July 1	<u>128,555.15</u>	<u>1,278,209.81</u>	<u>1,406,764.96</u>
Net Position -- June 30	<u>\$ 132,704.00</u>	<u>\$ 1,338,520.18</u>	<u>\$ 1,471,224.18</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Elementary Schools:				
Moore	\$ 17,318.44	\$ 12,815.06	\$ 11,935.52	\$ 18,197.98
Seabrook	14,169.39	17,499.19	13,162.73	18,505.85
Woodruff	47,300.24	47,403.33	41,841.10	52,862.47
	<u>\$ 78,788.07</u>	<u>\$ 77,717.58</u>	<u>\$ 66,939.35</u>	<u>\$ 89,566.30</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
 Payroll and Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 22,111.90	\$ 10,372,341.59	\$ 10,382,254.98	\$ 12,198.51
Total Assets	<u>\$ 22,111.90</u>	<u>\$ 10,372,341.59</u>	<u>\$ 10,382,254.98</u>	<u>\$ 12,198.51</u>
LIABILITIES:				
Net Salaries		\$ 5,892,078.63	\$ 5,892,078.63	
Payroll Deductions and Withholdings	\$ 22,111.90	4,480,262.96	4,490,176.35	\$ 12,198.51
Total Liabilities	<u>\$ 22,111.90</u>	<u>\$ 10,372,341.59</u>	<u>\$ 10,382,254.98</u>	<u>\$ 12,198.51</u>

LONG-TERM DEBT

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

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2019</u>	<u>Decrease</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds Series 2007	3/14/2007	\$ 4,785,000.00	02/01/21	\$ 390,000.00	3.92%			
			02/01/22	380,000.00	3.92%	<u>\$ 1,165,000.00</u>	<u>\$ 395,000.00</u>	<u>\$ 770,000.00</u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 440,553.00	\$ -	\$ 440,553.00	\$ 440,553.00	\$ -
Total Revenues	<u>440,553.00</u>	<u>-</u>	<u>440,553.00</u>	<u>440,553.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	45,668.00	-	45,668.00	45,668.00	-
Redemption of Principal	395,000.00	-	395,000.00	395,000.00	-
Total Expenditures	<u>440,668.00</u>	<u>-</u>	<u>440,668.00</u>	<u>440,668.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115.00)	-	(115.00)	(115.00)	-
Fund Balance, July 1	<u>456.43</u>	<u>-</u>	<u>456.43</u>	<u>456.43</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 341.43</u>	<u>\$ -</u>	<u>\$ 341.43</u>	<u>\$ 341.43</u>	<u>\$ -</u>

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

UPPER DEERFIELD TOWNSHIP 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	13,822,487.13	13,775,766.00	13,754,371.00	12,165,797.00	12,345,098.00	12,112,937.00	12,079,035.00	12,254,981.00	12,336,573.00	12,645,903.00
Restricted	2,928,292.46	2,727,306.23	2,898,903.10	3,051,546.80	2,716,062.00	2,419,687.00	1,886,404.00	1,539,220.00	1,314,658.00	1,278,028.00
Unrestricted (Deficit)	(6,591,455.86)	(6,397,277.92)	(6,416,645.15)	(6,291,381.60)	(5,529,312.00)	(5,093,164.00)	(648,888.00)	(537,789.00)	(363,157.00)	(518,548.00)
Total Governmental Activities Net Position	10,159,323.73	10,105,794.31	10,236,628.95	8,925,962.20	9,531,848.00	9,439,460.00	13,316,551.00	13,256,412.00	13,288,074.00	13,405,383.00
Business-Type Activities										
Net Investment in Capital Assets	176,914.34	52,209.00	62,022.00	68,753.00	80,765.00	88,936.00	81,165.00	92,094.00	98,460.00	26,126.00
Unrestricted	255,997.04	387,309.40	328,343.11	294,995.55	240,464.00	164,632.00	125,225.00	62,328.00	39,467.00	104,730.00
Total Business-Type Activities Net Position	432,911.38	439,518.40	390,365.11	363,748.55	321,229.00	253,568.00	206,390.00	154,422.00	137,927.00	130,856.00
Government-Wide										
Net Investment in Capital Assets	13,999,401.47	13,827,975.00	13,816,393.00	12,234,550.00	12,425,863.00	12,201,873.00	12,160,200.00	12,347,075.00	12,435,033.00	12,672,029.00
Restricted	2,928,292.46	2,727,306.23	2,898,903.10	3,051,546.80	2,716,062.00	2,419,687.00	1,886,404.00	1,539,220.00	1,314,658.00	1,278,028.00
Unrestricted (Deficit)	(6,335,458.82)	(6,009,968.52)	(6,088,302.04)	(5,996,386.05)	(5,288,848.00)	(4,928,532.00)	(523,663.00)	(475,461.00)	(323,690.00)	(413,818.00)
Total Government-Wide Net Position	10,592,235.11	10,545,312.71	10,626,994.06	9,289,710.75	9,853,077.00	9,693,028.00	13,522,941.00	13,410,834.00	13,426,001.00	13,536,239.00

Note: GASB 68 was implemented for June 30, 2015 year end

Source: District Records

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

Expenses	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Instruction										
Regular	5,835,616.19	5,872,154.20	5,638,136.88	5,577,987.55	4,222,225.00	4,013,464.00	3,775,653.00	3,752,639.00	3,837,322.00	4,669,408.00
Special education	1,199,749.25	1,143,343.00	1,122,280.56	1,113,521.46	2,354,416.00	2,229,485.00	2,490,151.00	2,444,697.00	2,203,236.00	1,350,151.00
Other special education	217,319.75	241,941.34	190,126.52	179,870.57	174,065.00	178,089.00	228,349.00	254,091.00	141,666.00	62,184.00
Other instruction	-	-	-	-	-	72,776.00	128,479.00	121,206.00	64,629.00	73,057.00
Support services:										
Tuition	361,285.40	271,243.41	389,999.54	210,492.94	203,949.00	134,308.00	221,228.00	167,681.00	120,954.00	292,283.00
Student & instruction related services	2,441,703.16	1,925,387.06	1,912,170.02	1,985,790.06	1,614,574.00	1,327,589.00	1,199,896.00	1,237,549.00	1,131,317.00	1,178,641.00
General administration services	420,110.48	409,856.83	382,239.01	415,128.88	679,767.00	642,862.00	688,950.00	684,116.00	680,855.00	713,208.00
School administration services	442,712.74	442,119.43	441,399.47	441,067.43	507,446.00	521,910.00	720,197.00	637,111.00	709,532.00	693,122.00
Central services	278,544.00	280,193.83	266,925.46	256,366.14	-	-	-	-	-	-
Admin info technology	108,123.46	84,739.88	85,457.72	94,129.08	-	-	-	-	-	-
Plant operations and maintenance	1,368,686.66	1,529,415.83	1,469,289.21	1,537,895.62	1,474,661.00	1,315,419.00	1,443,699.00	1,431,818.00	1,365,484.00	1,413,256.00
Pupil transportation	2,586,391.23	2,758,035.04	2,742,728.20	2,715,677.15	2,869,563.00	2,960,963.00	2,643,587.00	2,454,897.00	2,367,316.00	2,333,692.00
Unallocated Benefits	6,254,653.24	7,177,808.22	8,681,231.44	7,511,264.89	6,072,737.00	5,246,053.00	3,580,501.00	3,733,245.00	3,370,380.00	3,341,006.00
Transfer to charter schools	172,884.00	120,341.00	117,355.00	50,553.00	20,549.00	29,159.00	10,368.00	24,293.00	22,984.00	-
Interest on long-term debt	143,834.34	159,432.66	175,112.67	190,906.00	206,898.00	222,970.00	237,661.00	224,372.00	217,887.00	262,840.00
Total governmental activities expenses	21,831,613.90	22,416,011.73	23,614,451.70	22,280,650.77	20,400,850.00	18,895,047.00	17,368,719.00	17,167,715.00	16,233,562.00	16,382,848.00
Business-type activities:										
Food service	475,729.16	428,124.71	462,669.09	514,305.34	560,945.00	576,115.00	565,438.00	546,845.00	565,869.00	502,497.00
Community Education & Recreation	80,112.34	64,119.85	67,912.80	84,571.68	64,526.00	59,910.00	51,901.00	44,702.00	76,673.00	97,492.00
Total business-type activities expense	555,841.50	492,244.56	530,581.89	598,877.02	625,471.00	636,025.00	617,339.00	591,547.00	642,542.00	599,989.00
Total government expenses	22,387,455.40	22,908,256.29	24,145,033.59	22,879,527.79	21,026,321.00	19,531,072.00	17,986,058.00	17,759,262.00	16,876,104.00	16,982,837.00
Program Revenues										
Governmental activities:										
Operating grants and contributions	5,019,335.75	5,726,083.47	7,253,746.64	6,112,129.54	2,910,865.00	2,720,783.00	1,117,960.00	1,331,139.00	1,066,787.00	915,265.00
Charges for services	1,915,000.65	2,000,742.26	1,979,933.75	2,014,431.14	2,092,878.00	2,100,070.00	2,028,932.00	1,865,628.00	1,791,589.00	1,765,951.00
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	6,934,336.40	7,726,825.73	9,233,680.39	8,126,560.68	5,003,743.00	4,820,853.00	3,146,892.00	3,196,767.00	2,858,376.00	2,681,216.00

(Continued)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Operating grants and contributions	371,171.99	302,267.56	328,130.76	346,420.23	369,215.00	364,497.00	356,508.00	314,857.00	301,597.00	300,630.00
Charges for services	176,605.83	237,919.18	240,042.60	294,977.13	323,668.00	318,188.00	312,340.00	292,643.00	311,812.00	245,657.00
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	547,777.82	540,186.74	568,173.36	641,397.36	692,883.00	682,685.00	668,848.00	607,500.00	613,409.00	546,287.00
Total government program revenues	7,482,114.22	8,267,012.47	9,801,853.75	8,767,958.04	5,696,626.00	5,503,538.00	3,815,740.00	3,804,267.00	3,471,785.00	3,227,503.00
Net (Expense)/Revenue										
Governmental activities	(14,897,277.50)	(14,689,186.00)	(14,380,771.31)	(14,154,090.09)	(15,397,107.00)	(14,074,194.00)	(14,221,827.00)	(13,970,948.00)	(13,375,186.00)	(13,701,632.00)
Business-type activities	(8,063.68)	47,942.18	37,591.47	42,520.34	67,412.00	46,660.00	51,509.00	15,953.00	(29,133.00)	(53,702.00)
Total government-wide net expense	(14,905,341.18)	(14,641,243.82)	(14,343,179.84)	(14,111,569.75)	(15,329,695.00)	(14,027,534.00)	(14,170,318.00)	(13,954,995.00)	(13,404,319.00)	(13,755,334.00)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	7,632,502.00	7,512,241.00	7,389,667.00	7,274,404.00	7,162,200.00	7,048,452.00	6,905,014.00	6,771,775.00	6,642,740.00	6,475,463.00
Federal and state aid not restricted	7,114,584.44	6,935,135.61	6,665,316.18	6,390,590.04	8,168,610.00	7,402,639.00	7,266,692.00	6,974,491.00	7,082,998.00	7,536,337.00
Miscellaneous income	203,720.48	111,074.75	166,001.21	107,074.25	158,685.00	284,493.00	177,124.00	193,020.00	140,922.00	240,386.00
Total governmental activities	14,950,806.92	14,558,451.36	14,220,984.39	13,772,068.29	15,489,495.00	14,735,584.00	14,348,830.00	13,939,286.00	13,866,660.00	14,252,186.00
Business-type activities:										
Miscellaneous income	1,456.66	1,211.11	461.09	-	251.00	518.00	459.00	546.00	719.00	1,144.00
Total business-type activities	1,456.66	1,211.11	461.09	-	251.00	518.00	459.00	546.00	719.00	1,144.00
Total government-wide	14,952,263.58	14,559,662.47	14,221,445.48	13,772,068.29	15,489,746.00	14,736,102.00	14,349,289.00	13,939,832.00	13,867,379.00	14,253,330.00
Change in Net Position										
Governmental activities	53,529.42	(130,734.64)	(159,786.92)	(382,021.80)	92,388.00	661,390.00	127,003.00	(31,662.00)	491,474.00	550,554.00
Business-type activities	(6,607.02)	49,153.29	38,052.56	42,520.34	67,663.00	47,178.00	51,968.00	16,499.00	(28,414.00)	(52,558.00)
Total government	46,922.40	(81,581.35)	(121,734.36)	(339,501.46)	160,051.00	708,568.00	178,971.00	(15,163.00)	463,060.00	497,996.00

Note: GASB 68 was implemented for June 30, 2015 year end

Note: GASB 75 was implemented for June 30, 2018 year end

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Restricted	2,927,951.03	2,726,849.80	2,868,143.68	3,025,480.43	2,689,400.00	2,332,327.00	1,926,065.00	1,589,130.00	1,503,781.00	953,307.00
Assigned	240,913.64	298,600.23	63,164.60	6,124.83	-	-	-	-	-	-
Unassigned (Deficit)	(343,007.16)	(335,764.52)	(210,405.14)	(339,522.58)	(334,807.00)	(113,480.00)	(337,414.00)	(326,945.00)	(323,923.00)	(298,697.00)
Total General Fund	<u>2,825,857.51</u>	<u>2,689,685.51</u>	<u>2,720,903.14</u>	<u>2,692,082.68</u>	<u>2,354,593.00</u>	<u>2,218,847.00</u>	<u>1,588,651.00</u>	<u>1,262,185.00</u>	<u>1,179,858.00</u>	<u>654,610.00</u>
All Other Governmental Funds										
Restricted	341.43	456.43	30,659.42	26,066.37	26,662.00	87,360.00	1,589.00	25,028.00	36,064.00	324,721.00
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (Deficit)	(105,739.20)	(45,262.00)	(45,262.00)	(45,262.00)	(22,260.00)	(25,228.00)	(27,454.00)	(21,690.00)	(22,707.00)	(24,836.00)
Total All Other Governmental Funds	<u>(105,397.77)</u>	<u>(44,805.57)</u>	<u>(14,602.58)</u>	<u>(19,195.63)</u>	<u>4,402.00</u>	<u>62,132.00</u>	<u>(25,865.00)</u>	<u>3,338.00</u>	<u>13,357.00</u>	<u>299,885.00</u>

Source: District Records

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Tax levy	7,632,502.00	7,512,241.00	7,389,667.00	7,274,404.00	7,162,200.00	7,048,452.00	6,905,014.00	6,771,775.00	6,642,740.00	6,475,463.00
Miscellaneous	204,101.64	111,074.75	166,501.21	112,927.29	158,469.00	246,528.00	196,419.00	193,020.00	140,922.00	194,443.00
State sources	10,330,208.77	9,570,019.16	9,019,090.83	8,417,856.21	8,023,799.00	7,906,755.00	7,689,567.00	7,620,176.00	7,281,124.00	7,516,933.00
Federal sources	785,209.26	1,112,211.92	1,241,604.99	1,322,721.33	1,155,012.00	780,158.00	695,085.00	685,454.00	868,661.00	934,669.00
Total revenue	18,952,021.67	18,305,546.83	17,816,864.03	17,127,908.83	16,499,480.00	15,981,893.00	15,486,085.00	15,270,425.00	14,933,447.00	15,121,508.00
Expenditures										
Instruction										
Regular instruction	5,496,661.57	5,564,051.55	5,354,575.58	5,256,622.00	3,911,579.00	3,706,714.00	3,775,653.00	3,752,639.00	3,550,023.00	4,371,450.00
Special education instruction	1,138,121.14	1,087,324.34	1,070,723.96	1,055,091.36	2,297,936.00	2,173,713.00	2,168,579.00	2,147,211.00	2,151,002.00	1,295,977.00
Other special instruction	217,319.75	241,941.34	190,126.52	179,870.57	174,065.00	178,089.00	228,349.00	254,091.00	141,666.00	62,184.00
Other instruction	-	-	-	-	-	72,776.00	70,012.00	67,118.00	64,629.00	73,057.00
Support Services:										
Tuition	361,285.40	271,243.41	389,999.54	210,492.94	203,949.00	134,308.00	221,228.00	167,681.00	120,954.00	292,283.00
Student & inst. related services	2,380,075.05	1,869,368.40	1,860,613.42	1,927,359.96	1,558,094.00	1,271,817.00	1,141,429.00	1,183,461.00	1,079,081.00	1,124,467.00
General administration	352,319.56	348,236.30	325,526.75	350,855.77	617,638.00	460,560.00	624,636.00	624,619.00	659,092.00	659,546.00
School administration services	374,921.82	380,498.90	384,687.21	376,794.32	445,317.00	581,512.00	655,883.00	577,614.00	630,416.00	639,460.00
Central services	278,544.00	280,193.83	266,925.46	256,366.14	-	-	-	-	-	-
Admin info technology	108,123.46	84,739.88	85,457.72	94,129.08	-	-	-	-	-	-
Plant operations and maintenance	1,350,198.23	1,512,610.23	1,453,822.23	1,520,366.59	1,457,718.00	1,298,688.00	1,426,159.00	1,415,591.00	1,349,813.00	1,397,004.00
Pupil transportation	698,362.41	791,225.42	754,340.36	725,807.70	775,624.00	860,510.00	617,531.00	585,168.00	558,300.00	547,557.00
Unallocated benefits	5,134,337.24	5,067,645.22	4,713,864.44	4,207,186.18	3,993,840.00	3,666,388.00	3,575,866.00	3,716,405.00	3,342,833.00	3,372,838.00
Transfer to charter schools	172,884.00	120,341.00	117,355.00	50,553.00	20,549.00	29,159.00	10,368.00	24,293.00	22,984.00	-
Debt service										
Principal	395,000.00	400,000.00	400,000.00	405,000.00	410,000.00	410,000.00	400,905.00	378,975.00	362,137.00	340,428.00
Interest and other charges	150,286.00	165,966.00	181,646.00	197,522.00	108,976.00	125,048.00	139,847.00	155,087.00	169,639.00	189,114.00
Capital outlay	268,002.24	181,581.63	233,786.33	-	446,179.00	294,438.00	109,518.00	148,164.00	492,158.00	1,170,487.00
Total expenditures	18,876,441.87	18,366,967.45	17,783,450.52	16,814,017.61	16,421,464.00	15,263,720.00	15,165,963.00	15,198,117.00	14,694,727.00	15,535,852.00
Excess (Deficiency) of revenues over (under) expenditures	75,579.80	(61,420.62)	33,413.51	313,891.22	78,016.00	718,173.00	320,122.00	72,308.00	238,720.00	(414,344.00)
Other Financing Sources (Uses)										
Prior year adjustment	-	-	-	-	-	-	(22,839.00)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(22,839.00)	-	-	-
Net change in fund balances	75,579.80	(61,420.62)	33,413.51	313,891.22	78,016.00	718,173.00	297,283.00	72,308.00	238,720.00	(414,344.00)
Debt service as a percentage of noncapital expenditures	2.93%	3.11%	3.31%	3.58%	3.25%	3.57%	3.59%	3.55%	3.74%	3.69%

Source: District Records

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue By Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Years Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Miscellaneous Revenue										
Tuition		2,520.97		4,981.50	79,206.00	144,284.00	130,181.00	133,912.00	79,899.00	123,610.00
Interest on Investments	31,353.69	13,113.48	5,487.07	5,124.30	4,738.00	11,461.00	8,691.00	15,822.00	16,724.00	16,474.00
Rent	5,658.00	5,698.00	12,321.00	17,216.00	18,431.00	12,831.00	9,118.00	8,951.00	6,865.00	5,393.00
E-rate	77,213.95	66,321.20	33,426.45							
Lead Testing			1,718.75							
Refund of Prior Year's Expenditures				3,256.22	33,417.00	18,867.00	12,996.00	14,553.00	19,907.00	789.00
Telephone/Energy Rebates				18,936.58	14,369.00	17,021.00	17,610.00	6,496.00	6,758.00	26,548.00
Shared Services	52,205.66									
Miscellaneous	37,289.18	23,080.01	108,417.89	57,523.11	8,271.00	41,188.00	14,543.00	12,722.00	9,145.00	18,880.00
Total	203,720.48	110,733.66	161,371.16	107,037.71	158,432.00	245,652.00	193,139.00	192,456.00	139,298.00	191,694.00

Source: District Records

REVENUE CAPACITY INFORMATION

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
Unaudited

Year	Land	Improvements	Partial Exemptions and Abatements	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2020	167,549,600	463,421,200	(399,100)	630,571,700	1,659,703	632,231,403	613,874,319	1.217
2019	168,721,200	464,583,800	(399,100)	632,905,900	1,628,233	634,534,133	631,075,780	1.193
2018	167,823,600	459,240,400	(332,500)	626,731,500	1,601,977	628,333,477	603,322,584	1.186
2017	168,215,700	458,476,100	(332,500)	626,359,300	1,600,057	627,959,357	596,305,503	1.168
2016	168,626,800	460,478,800	(332,500)	628,773,100	1,555,637	630,328,737	615,961,109	1.146
2015						631,661,246	640,884,881	1.125
2014						634,807,543	630,327,118	1.099
2013			Information not available			628,117,666	618,417,150	1.089
2012						630,201,916	631,326,018	1.065
2011						424,194,653	696,056,777	1.547

Source:

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

b - Tax rates are per \$100

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Per \$100.00 of Assessed Valuation

Last Ten Years

Unaudited

<u>Year</u>	<u>School District Direct Rate</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>(From J-6) Total Direct School Tax Rate</u>	<u>Municipal Local Purpose</u>	<u>Regional School District</u>	<u>County</u>	
2020	1.149	0.068	1.217	0.166	0.622	1.216	3.221
2019	1.122	0.071	1.193	0.155	0.573	1.200	3.121
2018	1.111	0.075	1.186	0.150	0.545	1.144	3.025
2017	1.091	0.077	1.168	0.097	0.527	1.112	2.904
2016	1.065	0.081	1.146	0.095	0.489	1.105	2.835
2015	1.041	0.084	1.125	0.087	0.510	1.119	2.841
2014	1.017	0.082	1.099	0.061	0.450	1.035	2.645
2013	1.007	0.082	1.089	0.045	0.445	0.969	2.548
2012	0.984	0.081	1.065	0.030	0.455	0.947	2.497
2011	1.428	0.119	1.547	-	0.670	1.570	3.787

Source: Abstract of Ratables for the County of Cumberland

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Principal Property Taxpayers
 Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2020			2011		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Walmart TRS LLC	13,954,900.00	1	2.21%	Information not available		
Lassonde Pappas & Co Inc.	11,282,500.00	2	1.78%			
KMT Properties LLC	10,229,900.00	3	1.62%			
Upper Deerfield Station LP	7,829,700.00	4	1.24%			
Seabrook Brothers & Sons Inc.	7,334,400.00	5	1.16%			
B&B Plaza Properties LLC	7,053,400.00	6	1.12%			
Cedar-Carl's Corner LLC	6,000,000.00	7	0.95%			
Upper Deerfield LP	4,600,000.00	8	0.73%			
Atlantic City Electric Company	3,203,300.00	9	0.51%			
Pappas Properties	3,192,400.00	10	0.50%			
Total	74,680,500.00		11.81%	-		-

Source: Municipal Tax Assessor

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2020	7,632,502.00	7,632,502.00	100.00%	-
2019	7,512,241.00	7,512,241.00	100.00%	-
2018	7,389,667.00	7,389,667.00	100.00%	-
2017	7,274,404.00	7,274,404.00	100.00%	-
2016	7,162,200.00	7,162,200.00	100.00%	-
2015	7,048,452.00	7,048,452.00	100.00%	-
2014	6,905,014.00	6,905,014.00	100.00%	-
2013	6,771,775.00	6,771,775.00	100.00%	-
2012	6,642,740.00	6,642,740.00	100.00%	-
2011	6,475,463.00	6,475,463.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Capital Leases	Capital Leases				
2020	770,000.00	-	-	-	770,000.00	Unavailable	Unavailable
2019	1,165,000.00	-	-	-	1,165,000.00	Unavailable	160.09
2018	1,565,000.00	-	-	-	1,565,000.00	0.53%	212.06
2017	1,965,000.00	-	-	-	1,965,000.00	0.68%	264.43
2016	2,370,000.00	-	-	-	2,370,000.00	0.85%	316.46
2015	2,780,000.00	-	-	-	2,780,000.00	1.01%	366.46
2014	3,190,000.00	-	-	-	3,190,000.00	1.18%	418.97
2013	3,590,904.00	-	-	-	3,590,904.00	1.37%	471.00
2012	3,969,879.00	-	-	-	3,969,879.00	1.52%	517.72
2011	4,332,016.00	14,041.00	-	-	4,346,057.00	1.65%	566.85

Source:

(1) Personal income has been estimated based upon the municipal population and per capita

(2) Population information provided by the NJ Department of Labor and Workforce Development

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2020	770,000.00	-	770,000.00	0.12%	Unavailable
2019	1,165,000.00	-	1,165,000.00	0.18%	160.09
2018	1,565,000.00	-	1,565,000.00	0.25%	212.06
2017	1,965,000.00	-	1,965,000.00	0.31%	264.43
2016	2,370,000.00	-	2,370,000.00	0.38%	316.46
2015	2,780,000.00	-	2,780,000.00	0.44%	366.46
2014	3,190,000.00	-	3,190,000.00	0.50%	418.97
2013	3,590,904.00	-	3,590,904.00	0.57%	471.00
2012	3,969,879.00	-	3,969,879.00	0.63%	517.72
2011	4,332,016.00	-	4,332,016.00	1.02%	565.02

Source:

(1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation

(2) Population information provided by the NJ Department of Labor and Workforce Development

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2019
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Net Debt Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Upper Deerfield Township (1)	758,640.19	100.00%	758,640.19
Cumberland Regional High School District (1)	5,547,000.00	37.25%	2,066,215.90
County of Cumberland (2) (A)	94,714,744.63	7.09%	<u>6,711,178.41</u>
Subtotal, overlapping debt			9,536,034.49
Upper Deerfield Township School District Direct Debt	1,165,000.00	100.00%	<u>1,165,000.00</u>
Total direct and overlapping debt			<u><u>10,701,034.49</u></u>

Source:

- (1) Upper Deerfield Township Audit Report - December 31, 2019
- (2) County of Cumberland Annual Audit Report - December 31, 2019

(A) The debt for this entity was apportioned to the Upper Deerfield Township by dividing the Township's 2019 equalized value by the total 2019 equalized value for the County of Cumberland, which results in an apportionment of 7.09%.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Computation of Legal Debt Margin
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2020

		<u>Equalized Valuation Basis (1)</u>
	2019	616,146,710.00
	2018	624,919,233.99
	2017	<u>602,964,286.00</u>
	[A]	<u>1,844,030,229.99</u>
Average equalized valuation of taxable property	[A/3]	614,676,743.33
Debt limit (3% of average equalization value) (2)	[B]	18,440,302.30
Total Net Debt Applicable to Limit	[C]	<u>770,000.00</u>
Legal Debt Margin	[B-C]	<u>17,670,302.30</u>

	Fiscal Year Ended June 30,									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debit Limit	18,440,302.30	18,264,870.04	18,189,682.40	18,523,031.60	18,708,703.00	18,676,468.00	18,552,609.00	19,081,323.00	19,765,851.00	20,757,371.00
Total net debt applicable to limit (3)	<u>770,000.00</u>	<u>1,165,000.00</u>	<u>1,565,000.00</u>	<u>1,965,000.00</u>	<u>2,370,000.00</u>	<u>2,780,000.00</u>	<u>3,190,000.00</u>	<u>3,590,904.00</u>	<u>3,969,879.00</u>	<u>4,332,016.00</u>
Legal Debt Margin	<u>17,670,302.30</u>	<u>17,099,870.04</u>	<u>16,624,682.40</u>	<u>16,558,031.60</u>	<u>16,338,703.00</u>	<u>15,896,468.00</u>	<u>15,362,609.00</u>	<u>15,490,419.00</u>	<u>15,795,972.00</u>	<u>16,425,355.00</u>
Total net debt applicable to the limit as a percentage of debt limit	4.18%	6.38%	8.60%	10.61%	12.67%	14.89%	17.19%	18.82%	20.08%	20.87%

Source:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Demographic and Economic Information

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2019	7,277	Unavailable	Unavailable	4.40%
2018	7,380	297,332,820	40,289	5.20%
2017	7,431	289,013,883	38,893	5.50%
2016	7,489	279,811,507	37,363	5.80%
2015	7,586	275,015,258	36,253	6.20%
2014	7,614	270,053,352	35,468	7.50%
2013	7,624	261,396,464	34,286	7.40%
2012	7,668	262,015,560	34,170	13.50%
2011	7,667	262,686,754	34,262	12.00%
2010	7,660	254,220,080	33,188	10.40%

Source:

- (1) Population information provided by the NJ Department of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Department of Labor and Workforce Development

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

Employer	2020			2011		
	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)
Information Not Available						
	-		0.00%	-		0.00%

Operating Information

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction										
Regular	76	76	76	76	76	76	76	76	79	79
Special Education	30	30	30	30	27	27	26	27	24	24
Other Special Education	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & Instruction Related Services	20	20	15	15	15	15	15	15	15	15
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	5	5	5	5	5	5	5	5	5	5
Other Administrative Services	0	0	0	0	0	0	0	0	0	0
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	12	12	12	12	12	12	12	12	12	12
Pupil Transportation	0	0	0	0	0	0	0	0	0	0
Other Support Services	2	2	2	2	2	2	2	2	2	2
Total	152	152	147	147	144	144	143	144	144	144

Source: District Personnel Records

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year June 30,	Average Daily Enrollment (ADE) ^c	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2020	848	18,063,153.63	21,300.89	2.52%	87	10:3	10:1	847	843	-0.12%	99.53%
2019	848	17,619,419.82	20,777.62	9.10%	87	10:3	10:1	848	844	-4.83%	99.53%
2018	891	16,968,018.19	19,043.79	4.56%	87	10:3	10:1	891	853	0.11%	95.74%
2017	890	16,211,495.61	18,213.36	6.76%	87	10:3	10:1	890	845	-1.77%	94.94%
2016	906	15,456,309.00	17,059.94	7.08%	87	10:3	10:1	906	859	-0.88%	94.81%
2015	906	14,434,234.00	15,931.83	-0.56%	88	10:3	10:1	914	868	0.88%	94.97%
2014	906	14,515,693.00	16,021.74	-0.99%	87	10:3	10:1	906	862	0.89%	95.14%
2013	897	14,515,891.00	16,182.71	1.68%	88	10:3	10:1	898	850	4.91%	94.65%
2012	859	13,670,793.00	15,914.78	2.45%	87	10:3	10:1	856	817	-4.68%	95.44%
2011	891	13,841,623.00	15,534.93	0.75%	87	10:3	10:1	898	852	-3.54%	94.88%

Source: District Records

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

<u>District Building</u>	Fiscal Year Ended June 30,									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Elementary:</u>										
Seabrook Elementary School (1957)										
Square Feet	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666
Capacity (Students)	437	437	437	437	437	437	437	437	437	437
Enrollment	383	383	384	407	452	452	452	451	412	416
Moore Elementary School (1923)										
Square Feet	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894
Capacity (Students)	297	297	297	297	297	297	297	297	297	297
Enrollment	172	196	186	189	170	170	170	169	160	181
<u>Middle School:</u>										
Woodruff Middle School (1975)										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (Students)	259	259	259	259	259	259	259	259	259	259
Enrollment	284	279	307	292	284	284	284	284	287	293
<u>Other:</u>										
Central Administration (1936)										
Square Feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Facility Building (2006)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Number of Schools at June 30, 2020										
Elementary/Middle = 2										
Middle School = 1										
Other = 1										

Source: District Records

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance
 for School Facilities
 11-000-261-xxx

	Fiscal Year Ended June 30,									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>* School Facilities</u>										
Administration	122,241.17	140,068.04	84,776.09	134,360.98	167,418.00	61,894.00	5,162.00	66,896.00	37,343.00	26,000.00
Seabrook	26,019.24	35,696.38	50,050.57	67,873.16	75,553.00	22,541.00	67,090.00	79,260.00	77,143.00	48,490.00
Moore	42,797.14	68,695.82	46,215.90	53,389.83	72,753.00	21,033.00	49,027.00	59,099.00	24,573.00	39,637.00
Woodruff	58,750.25	42,007.54	49,331.26	39,348.19	37,699.00	26,625.00	136,760.00	107,047.00	91,197.00	36,892.00
Total	<u>249,807.80</u>	<u>286,467.78</u>	<u>230,373.82</u>	<u>294,972.16</u>	<u>353,423.00</u>	<u>132,093.00</u>	<u>258,039.00</u>	<u>312,302.00</u>	<u>230,256.00</u>	<u>151,019.00</u>

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: District Records

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Crime	250,000.00	500.00
General and Automobile Liability	19,750,000.00	None
Workers' Compensation	Statutory	None
Educator's Legal Liability	19,750,000.00	None
Boiler and Machinery	125,000,000.00	1,000.00
Pollution Legal Liability	3,000,000.00	25,000.00
Cyber Liability	2,000,000.00	10,000.00
Violent Malicious Acts	1,000,000.00	15,000.00
Disaster Management Services	2,000,000.00	15,000.00
 Surety Bonds:		
School Business Administrator / Board Secretary	100,000.00	
Treasurer of School Moneys	300,000.00	

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Upper Deerfield Township School District
Seabrook, New Jersey 08302

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Upper Deerfield Township School District's, in the County of Cumberland, State of New Jersey, compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control over Compliance

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

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

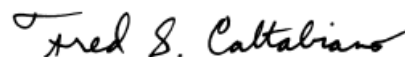
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
January 25, 2021

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

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover / (Walkover) Amount
					From	To		
General Fund:								
U.S. Department of Health and Human Services								
Passed-through State Department of Education:								
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 41,140.24	7/1/2019	6/30/2020		
Total Medicaid Cluster							-	-
Total General Fund and Total U.S. Department of Health and Human Services								
							-	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
Every Student Shall Succeed (ESSA):								
Title I Grants to Local Educational Agencies	84.010	S010A180030	N/A	361,379.00	7-1-2018	6-30-2019	\$ (69,408.00)	
Title I Grants to Local Educational Agencies	84.010	S010A190030	N/A	336,412.00	7-1-2019	6-30-2020		
Total Title I Grants to Local Educational Agencies							(69,408.00)	-
Supporting Effective Instruction State Grants (Title II)	84.367	S367A180029	N/A	37,172.00	7-1-2018	6-30-2019	(8,847.00)	
Supporting Effective Instruction State Grants (Title II)	84.367	S367A190029	N/A	41,463.00	7-1-2019	6-30-2020		
Total Supporting Effective Instruction State Grants (Title II)							(8,847.00)	-
Student Support and Academic Enrichment (Title IV)	84.424	S424A190031	N/A	21,089.00	7-1-2019	6-30-2020		
Total Student Support and Academic Enrichment (Title IV)							-	-
Rural & Low-Income Schools (Title V, Part B)	84.358	S358B180030	N/A	15,638.00	7-1-2017	6-30-2018	(603.00)	
Special Education Cluster (IDEA):								
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190100	N/A	228,528.00	7-1-2019	6-30-2020		
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190114	N/A	5,514.00	7-1-2019	6-30-2020		
Total Special Education Cluster (IDEA)							-	-
CARES Act - Education Stabilization Fund	84.425	S425D200027	N/A	271,948.00	3-13-2020	9-30-2022		
ARRA - Preschool Development Grants (Race to the Top)	84.419	S419B150020	N/A	530,514.00	7-1-2018	6-30-2019	(182,953.00)	
Total ARRA - Preschool Development Grants (Race to the Top)							(182,953.00)	-
Total Special Revenue Fund and Total U.S. Department of Education								
							(261,811.00)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
National School Lunch Program - Commodities (Noncash)	10.555	201NJ304N1099	N/A	28,459.72	7-1-2019	6-30-2020		
National School Lunch Program	10.555	191NJ304N1099	N/A	221,601.83	7-1-2018	6-30-2019	(8,729.05)	
National School Lunch Program	10.555	201NJ304N1099	N/A	181,708.61	7-1-2019	6-30-2020		
CARES Act - National School Lunch Program	10.555	201NJ304N1099	N/A	60,679.50	7-1-2019	6-30-2020		
School Breakfast Program	10.553	191NJ304N1099	N/A	51,642.46	7-1-2018	6-30-2019	(2,634.71)	
School Breakfast Program	10.553	201NJ304N1099	N/A	57,790.99	7-1-2019	6-30-2020		
CARES Act - School Breakfast Program	10.553	201NJ304N1099	N/A	38,141.40	7-1-2019	6-30-2020		
Total Child Nutrition Cluster							(11,363.76)	-
Total Enterprise Fund and Total U.S. Department of Agriculture								
							(11,363.76)	-
Total Federal Financial Assistance								
							\$ (273,174.76)	\$ -

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Passed- Through to Sub recipients	Rounding Adjustment	Repayment of Prior Years' Balances	Balance June 30, 2020		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 41,140.24	\$ (41,140.24)		\$ (41,140.24)						
41,140.24	(41,140.24)	-	(41,140.24)	-	-	-	-	-	-
41,140.24	(41,140.24)	-	(41,140.24)	-	-	-	-	-	-
69,408.00									
218,307.00	(336,412.00)		(336,412.00)				\$ (118,105.00)		
287,715.00	(336,412.00)	-	(336,412.00)	-	-	-	(118,105.00)	-	-
8,847.00									
25,233.00	(41,463.00)		(41,463.00)				(16,230.00)		
34,080.00	(41,463.00)	-	(41,463.00)	-	-	-	(16,230.00)	-	-
15,000.00	(15,000.00)		(15,000.00)				-		
15,000.00	(15,000.00)	-	(15,000.00)	-	-	-	-	-	-
603.00			-				-		
228,528.00	(228,528.00)		(228,528.00)						
4,507.00	(5,514.00)		(5,514.00)				(1,007.00)		
233,035.00	(234,042.00)	-	(234,042.00)	-	-	-	(1,007.00)	-	-
	(31,451.19)		(31,451.19)				(31,451.19)		
182,953.00									
182,953.00	-	-	-	-	-	-	-	-	-
753,386.00	(658,368.19)	-	(658,368.19)	-	-	-	(166,793.19)	-	-
28,459.72	(28,459.72)		(28,459.72)						
8,729.05									
181,708.61	(181,708.61)		(181,708.61)						
35,616.00	(60,679.50)		(60,679.50)				(25,063.50)		
2,634.71									
57,790.99	(57,790.99)		(57,790.99)						
22,387.20	(38,141.40)		(38,141.40)				(15,754.20)		
337,326.28	(366,780.22)	-	(366,780.22)	-	-	-	(40,817.70)	-	-
337,326.28	(366,780.22)	-	(366,780.22)	-	-	-	(40,817.70)	-	-
\$ 1,131,852.52	\$ (1,066,288.65)	\$ -	\$ (1,066,288.65)	\$ -	\$ -	\$ -	\$ (207,610.89)	\$ -	\$ -

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2020

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019		Carryover/ (Walkover) Amount
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	
New Jersey Department of Education:							
General Fund:							
State Aid - Public:							
Equalization Aid	495-034-5120-078	\$ 5,767,704.00	7-1-2018	6-30-2019	\$ (550,410.46)		
Equalization Aid	495-034-5120-078	5,941,599.00	7-1-2019	6-30-2020			
Categorical Special Education Aid	495-034-5120-089	465,051.00	7-1-2018	6-30-2019	(44,534.35)		
Categorical Special Education Aid	495-034-5120-089	465,051.00	7-1-2019	6-30-2020			
Categorical Security Aid	495-034-5120-084	187,464.00	7-1-2018	6-30-2019	(17,951.98)		
Categorical Security Aid	495-034-5120-084	187,464.00	7-1-2019	6-30-2020			
Total State Aid - Public					(612,896.79)	-	-
Transportation Aid:							
Categorical Transportation Aid	495-034-5120-014	380,486.00	7-1-2018	6-30-2019	(36,436.21)		
Categorical Transportation Aid	495-034-5120-014	380,486.00	7-1-2019	6-30-2020			
Nonpublic Transportation Aid	495-034-5120-014	10,730.00	7-1-2018	6-30-2019	(10,730.00)		
Total Transportation Aid					(47,166.21)	-	-
Extraordinary Special Education Aid							
Extraordinary Special Education Aid	495-034-5120-044	99,668.00	7-1-2018	6-30-2019	(99,668.00)		
Extraordinary Special Education Aid	495-034-5120-044	109,689.00	7-1-2019	6-30-2020			
Total Extraordinary Special Education Aid					(99,668.00)	-	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	495-034-5094-003	470,131.16	7-1-2018	6-30-2019	(22,782.88)		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	474,208.20	7-1-2019	6-30-2020			
Total Reimbursed TPAF Social Security					(22,782.88)	-	-
On-behalf Contributions:							
TPAF Post Retirement Medical	495-034-5094-001	495,072.00	7-1-2019	6-30-2020			
Teacher's Pension & Annuity Fund	495-034-5094-002	1,310,994.00	7-1-2019	6-30-2020			
TPAF Non-contributory Insurance	495-034-5094-004	23,498.00	7-1-2019	6-30-2020			
Long-Term Disability Insurance	495-034-5094-004	914.00	7-1-2019	6-30-2020			
Total On-behalf Contributions					-	-	-
Total General Fund					(782,513.88)	-	-
Special Revenue Fund:							
Preschool Education Aid	495-034-5120-086	452,620.00	7-1-2018	6-30-2019	(45,262.00)		
Preschool Education Aid	495-034-5120-086	1,057,392.00	7-1-2019	6-30-2020			
Total Preschool Education Aid and Special Revenue Fund					(45,262.00)	-	-
Total New Jersey Department of Education					(827,775.88)	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Program	100-010-3350-023	4,491.59	7-1-2018	6-30-2019	(175.41)		
State School Lunch Program	100-010-3350-023	4,391.77	7-1-2019	6-30-2020			
Total Enterprise Fund / New Jersey Department of Agriculture					(175.41)	-	-
Total State Financial Assistance					\$ (827,951.29)	\$ -	\$ -
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Education:							
On-behalf Contributions:							
TPAF Post Retirement Medical	495-034-5094-001	495,072.00	7-1-2019	6-30-2020			
Teacher's Pension & Annuity Fund	495-034-5094-002	1,310,994.00	7-1-2019	6-30-2020			
TPAF Non-contributory Insurance	495-034-5094-004	23,498.00	7-1-2019	6-30-2020			
Long-Term Disability Insurance	495-034-5094-004	914.00	7-1-2019	6-30-2020			
Total General Fund (Non-Cash Assistance)							
Total State Financial Assistance subject to Major Program Determination for State Single Audit							

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed- Through to Sub recipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 550,410.46									
5,379,926.41	\$ (5,941,599.00)				\$ (561,672.59)			\$ (561,672.59)	\$ 5,941,599.00
44,534.35									
420,704.53	(465,051.00)				(44,346.47)			(44,346.47)	465,051.00
17,951.98									
169,587.75	(187,464.00)				(17,876.25)			(17,876.25)	187,464.00
6,583,115.48	(6,594,114.00)	-	-	-	(623,895.31)	-	-	(623,895.31)	6,594,114.00
36,436.21									
344,203.51	(380,486.00)				(36,282.49)			(36,282.49)	380,486.00
10,730.00									
391,369.72	(380,486.00)	-	-	-	(36,282.49)	-	-	(36,282.49)	380,486.00
99,668.00	(109,689.00)				(109,689.00)				-
99,668.00	(109,689.00)	-	-	-	(109,689.00)	-	-	-	109,689.00
22,782.88									
450,250.45	(474,208.20)				(23,957.75)				474,208.20
473,033.33	(474,208.20)	-	-	-	(23,957.75)	-	-	-	474,208.20
495,072.00	(495,072.00)								495,072.00
1,310,994.00	(1,310,994.00)								1,310,994.00
23,498.00	(23,498.00)								23,498.00
914.00	(914.00)								914.00
1,830,478.00	(1,830,478.00)	-	-	-	-	-	-	-	1,830,478.00
9,377,664.53	(9,388,975.20)	-	-	-	(793,824.55)	-	-	(660,177.80)	9,388,975.20
45,262.00									
951,652.80	(1,012,555.57)				(105,739.20)	\$ 44,836.43		(105,739.20)	1,012,555.57
996,914.80	(1,012,555.57)	-	-	-	(105,739.20)	44,836.43	-	(105,739.20)	1,012,555.57
10,374,579.33	(10,401,530.77)	-	-	-	(899,563.75)	44,836.43	-	(765,917.00)	10,401,530.77
175.41									
3,997.91	(4,391.77)				(393.86)				4,391.77
4,173.32	(4,391.77)	-	-	-	(393.86)	-	-	-	4,391.77
10,378,752.65	(10,405,922.54)	\$ -	\$ -	\$ -	\$ (899,957.61)	\$ 44,836.43	\$ -	\$ (765,917.00)	\$ 10,405,922.54

495,072.00
1,310,994.00
23,498.00
914.00
1,830,478.00
\$ (8,575,444.54)

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Upper Deerfield Township School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(10,844.80) for the general fund and \$25,223.63 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 41,140.24	\$ 9,378,130.40	\$ 9,419,270.64
Special Revenue	744,069.02	952,078.37	1,696,147.39
Food Service	366,780.22	4,391.77	371,171.99
	<u>1,151,989.48</u>	<u>10,334,600.54</u>	<u>11,486,590.02</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments	-	71,322.00	71,322.00
Encumbrances	(85,700.83)	-	(85,700.83)
	<u>(85,700.83)</u>	<u>71,322.00</u>	<u>(14,378.83)</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,066,288.65</u>	<u>\$ 10,405,922.54</u>	<u>\$ 11,472,211.19</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

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

Note 7: MAJOR PROGRAMS

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

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

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ___ yes ___ X ___ no
Significant deficiency(ies) identified? ___ yes ___ X ___ none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? ___ yes ___ X ___ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Includes entries for 84.027, 84.173 and programs like Special Education Cluster (IDEA).

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

Auditee qualified as low-risk auditee? ___ X ___ yes ___ no

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

Section 2- Schedule of Financial Statement Findings

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

No Current Year Findings.

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

No Current Year Findings.

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

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

No Current Year Findings.

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2019-001

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$126,816.51.

Current Status

This condition has been resolved.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.