

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**

ROSENHAYN, NEW JERSEY  
COUNTY OF CUMBERLAND

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**

**ROSENHAYN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Prepared by**

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

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**INTRODUCTORY SECTION**

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March 15, 2022

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Deerfield Township School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Deerfield Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

**Deerfield Township Board of Education  
PO Box 375, 419 Morton Avenue  
Rosenhayn, NJ 08352  
856-451-6610**

contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

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

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	272	1.49%
2019-2020	268	-10.07%
2018-2019	298	-11.04%
2017-2018	335	4.36%
2016-2017	321	-1.83%
2015-2016	327	-2.10%
2014-2015	334	0.91%
2013-2014	331	-4.61%
2012-2013	347	-3.61%
2011-2012	360	-3.49%

**ECONOMIC CONDITION AND OUTLOOK**

The School District continued to experience the effects of the pandemic for the start of the 2020-2021 school year. Students continued to learn remotely from their homes utilizing district chromebooks, mobile hotspots, family devices, and/or paper packets, etc. Essential job functions of staff across the district were completed via their homes as well.

For the second fiscal year, financial savings were realized in areas such as student transportation, support services, and substitute salaries due to the closure. In March of 2021, the school district reopened for in-person learning on a hybrid schedule with groups of students reporting for certain days and times. At risk students and our young population of learners were engaged for four days per week until June of 2021. The District prepared to reopen fully in September of 2021.

**MAJOR INITIATIVES**

- DTS is proud of our educational initiatives during the fiscal year 2021. They include:
- a. Securing chromebooks for each student to assist them in online, virtual learning. These chromebooks also transitioned with the students when we returned to in person instruction in March 2021.

- b. The continuation of our first Preschool Disabilities Program(PSD) that assisted 6 children in the 2021 school year. The program is set up to receive tuition students with two students from a local K-8 enrolling for the 2021 fall program
- c. The collaboration with all teaching staff, through PLCs, to develop the curriculum for virtual learning and the transition back to in-person instruction.
- d. The successful recruitment of a Shared Superintendent of Schools, which greatly assisted the Administrative costs and efficiency in the 2021 budget and for the future.

### **INTERNAL ACCOUNTING CONTROLS**

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management. As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the district management.

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

### **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis.

Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year.

### **ACCOUNTING SYSTEM AND REPORTS**

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

### **FINANCIAL POLICIES**

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources

measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

## **OTHER INFORMATION**

### *INDEPENDENT AUDIT*

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

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,

*Dina Rossi, Ed.D.*

Dina L. Rossi, Ed.D.  
Superintendent/Acting Board Secretary

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

**BOARD OF EDUCATION**

**CHIEF SCHOOL  
ADMINISTRATOR**

**BUSINESS  
ADMINISTRATOR/  
BOARD SECRETARY**

**ASSISTANT  
PRINCIPAL**

**FINANCE**

**CHILD STUDY  
TEAM**

**BUILDING AND  
GROUNDS**

**TEACHERS**

**TECHNOLOGY**

**SUPPORT STAFF**

**FOOD SERVICE**

**TRANSPORTATION**

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Pepi Dragotta , President

2021

John Schwab, Vice President

2021

Jenna Harvey

2021

Robin Carter

2023

Jason Scythes

2022

Cindy Streater

2022

Adam Vera

2022

**OTHER OFFICIALS**

Dr. Dina Rossi, Superintendent

Melanie Allen, Business Administrator/Board Secretary



# **DEERFIELD TOWNSHIP SCHOOL DISTRICT**

## **CONSULTANTS AND ADVISORS**

### **Audit Firm**

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

### **Attorney**

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

### **Architect**

Garrison Architects  
713 Creek Road  
Bellmawr, New Jersey 08031

### **Official Depository**

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

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**FINANCIAL SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Deerfield Township School District, County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Deerfield Township School District, County of Cumberland, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Deerfield Township School Districts basic financial statements. The introductory section, combining and individual fund statements, long-term debt schedules and statistical section, are presented

for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

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

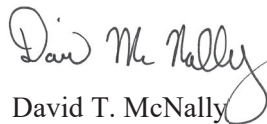
The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**



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

Medford, New Jersey  
March 15, 2022

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**Deerfield Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

As management of the Deerfield Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

**Deerfield Township School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited) (Continued)**

**Fund Financial Statements (continued)**

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

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

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

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

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

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

**Notes to the Basic Financial Statements**

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

**Financial Analysis of the School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government’s financial position.

The School District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements “Adopted Accounting Pronouncements”, the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District’s opening net position as of July 1, 2020 in the amount of \$30,543, as indicated in Note 20 to the Financial Statements. Prior years’ balances reflected in the MD&A have been updated to reflect this change.

**Deerfield Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited) (Continued)**

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

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

**Table 1  
Summary of Net Position**

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,344,515	\$ 1,082,078	\$ 262,437	24.3%
Capital Assets, Net	2,923,671	3,247,548	(323,877)	-10.0%
Total Assets	<u>4,268,186</u>	<u>4,329,626</u>	<u>(61,440)</u>	-1.4%
Deferred Outflow of Resources	<u>128,602</u>	<u>195,834</u>	<u>(67,232)</u>	-34.3%
Current and Other Liabilities	134,107	191,543	(57,436)	-30.0%
Noncurrent Liabilities	1,411,179	1,685,130	(273,951)	-16.3%
Total Liabilities	<u>1,545,286</u>	<u>1,876,673</u>	<u>(331,387)</u>	-17.7%
Deferred Inflow of Resources	<u>416,130</u>	<u>429,531</u>	<u>(13,401)</u>	-3.1%
Net Position:				
Net Investment in Capital Assets	2,237,105	2,407,549	(170,444)	-7.1%
Restricted	1,123,106	796,452	326,654	41.0%
Unrestricted (Deficit)	(924,839)	(984,745)	59,906	-6.1%
Total Net Position	<u>\$ 2,435,372</u>	<u>\$ 2,219,256</u>	<u>\$ 216,116</u>	9.7%

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

**Table 2  
Summary of Changes in Net Position**

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 339	\$ 30,716	\$ (30,377)	-98.9%
Operating Grants & Contributions	2,596,277	1,693,764	902,513	53.3%
General Revenues:				
Property Taxes	3,018,708	2,961,323	57,385	1.9%
Federal & State Aid	2,588,538	2,672,401	(83,863)	-3.1%
Other General Revenues	73,336	24,283	49,053	202.0%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	(131,904)	-	(131,904)	100.0%
Total Revenues	<u>8,145,294</u>	<u>7,382,487</u>	<u>762,807</u>	10.3%
<b>Function/Program Expenditures:</b>				
Regular Instruction	2,022,862	1,947,832	75,030	3.9%
Special Education Instruction	294,473	460,017	(165,544)	-36.0%
Other Instruction	29,292	40,777	(11,485)	-28.2%
Tuition	278,265	157,923	120,342	76.2%
Student & Instruction Related Services	491,478	711,308	(219,830)	-30.9%
Health Services	73,539	-	73,539	100.0%
Educational Media Services	596	-	596	100.0%
General Administrative	251,757	290,956	(39,199)	-13.5%
School Administrative Services	63,796	71,681	(7,885)	-11.0%
Central Services	168,074	171,789	(3,715)	-2.2%
Plant Operations & Maintenance	518,940	502,935	16,005	3.2%
Pupil Transportation	367,293	424,222	(56,929)	-13.4%
Unallocated Benefits	1,767,278	1,166,925	600,353	51.4%
On Behalf TPAF Pension and Social Security Contributions	1,137,758	990,899	146,859	14.8%
Transfer to Charter Schools	121,171	34,082	87,089	255.5%
Interest & Other Charges	41,714	50,152	(8,438)	-16.8%
Unallocated Depreciation	190,131	174,743	15,388	8.8%
Food Service	141,304	127,053	14,251	11.2%
Total Expenditures	<u>7,959,721</u>	<u>7,323,294</u>	<u>636,427</u>	8.7%
Change In Net Position	185,573	59,193	126,380	213.5%
Net Position - Beginning (restated)	2,249,799	2,160,063	89,736	4.2%
Net Position - Ending	<u>\$ 2,435,372</u>	<u>\$ 2,219,256</u>	<u>\$ 216,116</u>	9.7%

**Deerfield Township School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited) (Continued)**

**Governmental Activities**

During the fiscal year 2021, the net position of governmental activities increased by \$277,371 or 3.50%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$2,339,249, with an unrestricted deficit balance of \$1,006,028. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

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

**Table 3  
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$	(1,006,028)
Add back: PERS Pension Liability		623,585
Less: Deferred Outflows related to pensions		(128,602)
Add back: Deferred Inflows related to pensions		<u>416,130</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(94,915)</u>

**Business-type Activities**

During the fiscal year 2021, the net position of business-type activities increased by \$7,946.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$96,123.

**General Fund Budgeting Highlights**

Final budgeted revenues were \$5,464,470, unchanged from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$16,248.

Final budgeted appropriations were \$5,760,140, unchanged from the original budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$494,436.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$1,364,001 at June 30, 2021, an increase of \$274,830 from the prior year.

**Deerfield Township School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited) (Continued)**

**Governmental Funds**

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$1,149,480, an increase of \$277,371 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund increased by \$284,533 to \$1,132,940 at June 30, 2021. The primary factor(s) affecting the change in fund balance of the general fund compared to the change in fund balance in the prior year is as follows:

- Local tax levy increased \$57,385 or 1.9 %.
- Budgeted appropriations exceeded actual expenditures by \$494,436.
- Cancellation of prior year accounts payable in the amount of \$59,816.

*Special revenue fund* – During the current fiscal year, the fund balance of the School District’s Special Revenue fund decreased by \$7,163 to \$16,537 at June 30, 2021.

*Debt service fund* – During the current fiscal year, the fund balance of the School District’s Debt Service fund increased by \$1 to \$3 at June 30, 2021.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District’s food service fund increased by \$7,946 to \$96,123 at June 30, 2021.

**Capital Assets**

The School District’s capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$2,923,671 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$323,877. Table 4 shows fiscal 2021 balances compared to 2020.

**Table 4  
Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 15,698	\$ 15,698	\$ -	0.0%
Building and Improvements	2,726,376	3,204,945	(478,569)	-14.9%
Equipment	181,597	26,905	154,692	575.0%
	<u>\$ 2,923,671</u>	<u>\$ 3,247,548</u>	<u>\$ (323,877)</u>	-10.0%

Depreciation expense for the year was \$191,975. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Deerfield Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited) (Continued)**

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$585,000 which is an decrease of \$105,000 from the prior year.

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

**Factors on the School District's Future**

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

The District continues to explore Shared Service opportunities in key areas to keep costs down. Additionally, the District has seen an increase in aid related to Preschool Education. This increase and the population served will assist the District in increasing the school wide population and lead to increased state aid.

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, Deerfield Township School District, PO Box 375, Rosenhayn, New Jersey 08352.



**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 669,615	\$ 64,039	\$ 733,654
Receivables, Net (Note 4)	239,726	13,953	253,679
Inventory	-	5,161	5,161
Restricted Cash & Cash Equivalents	352,021	-	352,021
Capital Assets, Non-Depreciable (Note 5)	15,698	-	15,698
Capital Assets, Depreciable, Net (Note 5)	2,893,039	14,934	2,907,973
<b>Total Assets</b>	<b>4,170,099</b>	<b>98,087</b>	<b>4,268,186</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	128,602	-	128,602
<b>Total Deferred Outflow of Resources</b>	<b>128,602</b>	<b>-</b>	<b>128,602</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>4,298,701</b>	<b>98,087</b>	<b>4,396,788</b>
<b>LIABILITIES:</b>			
Accounts Payable	26,250	-	26,250
Payroll Payable	48,843	-	48,843
Due to Other Governments	47,811	-	47,811
Unearned Revenue	4,843	1,964	6,807
Accrued Interest	4,396	-	4,396
Noncurrent Liabilities (Note 7):			
Due Within One Year	149,984	-	149,984
Due Beyond One Year	1,261,195	-	1,261,195
<b>Total Liabilities</b>	<b>1,543,322</b>	<b>1,964</b>	<b>1,545,286</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	416,130	-	416,130
<b>Total Deferred Inflows of Resources</b>	<b>416,130</b>	<b>-</b>	<b>416,130</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,959,452</b>	<b>1,964</b>	<b>1,961,416</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	2,222,171	14,934	2,237,105
Restricted For:			
Capital Projects	90,406	-	90,406
Maintenance Reserve	261,615	-	261,615
Debt Service	3	-	3
Student Activities	30,753	-	30,753
Excess Surplus	740,329	-	740,329
Unrestricted	(1,006,028)	81,189	(924,839)
<b>Total Net Position</b>	<b>\$ 2,339,249</b>	<b>\$ 96,123</b>	<b>\$ 2,435,372</b>

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 2,022,862	\$ -	\$ 254,945	\$ (1,767,917)	\$ -	\$ (1,767,917)
Special Education	294,473	-	-	(294,473)	-	(294,473)
Other Instructional	24,828	-	-	(24,828)	-	(24,828)
School Sponsored	4,464	-	-	(4,464)	-	(4,464)
Support Services & Undistributed Costs:						
Tuition	278,265	-	-	(278,265)	-	(278,265)
Student & Instruction Related Services	491,478	-	174,506	(316,972)	-	(316,972)
Health Services	73,539	-	-	(73,539)	-	(73,539)
Educational Media Services/School Library	596	-	-	(596)	-	(596)
School Administrative Services	63,796	-	-	(63,796)	-	(63,796)
General Administration	251,757	-	-	(251,757)	-	(251,757)
Central Services	168,074	-	-	(168,074)	-	(168,074)
Plant Operations & Maintenance	518,940	-	-	(518,940)	-	(518,940)
Pupil Transportation	367,293	-	-	(367,293)	-	(367,293)
Unallocated Benefits	1,767,278	-	873,476	(893,802)	-	(893,802)
On Behalf TPAF Pension and Social Security Contributions	1,137,758	-	1,137,758	-	-	-
Interest on Long-Term Debt and Other Charges	41,714	-	-	(41,714)	-	(41,714)
Transfer to Charter School	121,171	-	-	(121,171)	-	(121,171)
Unallocated Depreciation	190,131	-	-	(190,131)	-	(190,131)
Total Governmental Activities	7,818,417	-	2,440,685	(5,377,732)	-	(5,377,732)
Business-Type Activities:						
Food Service	141,304	339	155,592	-	14,627	14,627
Total Business-Type Activities	141,304	339	155,592	-	14,627	14,627
Total Primary Government	\$ 7,959,721	\$ 339	\$ 2,596,277	(5,377,732)	14,627	(5,363,105)

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	BUSINESS- GOVERNMENTAL ACTIVITIES	ACTIVITIES	TOTAL
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes	2,888,365		-	2,888,365
Taxes Levied for Debt Service	130,343		-	130,343
Federal & State Aid Not Restricted	2,588,538		-	2,588,538
Investment Earnings	557		-	557
Miscellaneous Income	12,963		-	12,963
Gain/(Loss) on Capital Assets	(125,223)		(6,681)	(131,904)
Cancellation of Prior Year Payables	59,816		-	59,816
<b>Total General Revenues, Special Items, Extraordinary Items &amp; Transfers</b>	<b>5,555,359</b>		<b>(6,681)</b>	<b>5,548,678</b>
Change In Net Position	177,627		7,946	185,573
Net Position - Beginning, as previously stated	2,131,079		88,177	2,219,256
Prior Period Adjustments	30,543		-	30,543
Net Position - Beginning (Restated)	2,161,622		88,177	2,249,799
Net Position - Ending	<b>\$ 2,339,249</b>		<b>\$ 96,123</b>	<b>\$ 2,435,372</b>

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## B. Fund Financial Statements

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## Governmental Funds

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 834,156	\$ -	\$ 3	\$ 834,159
Receivables from Other Governments	15,915	223,811	-	239,726
Due from Other Funds	5,941	-	-	5,941
Restricted Cash & Cash Equivalents	352,021	-	-	352,021
<b>Total Assets</b>	<b>\$ 1,208,033</b>	<b>\$ 223,811</b>	<b>\$ 3</b>	<b>\$ 1,431,847</b>
LIABILITIES & FUND BALANCES				
<b>Liabilities:</b>				
Cash Deficit	\$ -	\$ 197,277	\$ -	\$ 197,277
Unearned Revenue	-	4,056	-	4,056
Accounts Payable	26,250	-	-	26,250
Payroll Payable	48,843	-	-	48,843
Due to Other Funds	-	5,941	-	5,941
<b>Total Liabilities</b>	<b>75,093</b>	<b>207,274</b>	<b>-</b>	<b>282,367</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve	90,406	-	-	90,406
Maintenance Reserve	261,615	-	-	261,615
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	223,847	-	-	223,847
Excess Surplus - Current year	516,482	-	-	516,482
Debt Service	-	-	3	3
Student Activities	-	30,753	-	30,753
<b>Assigned to:</b>				
Other Purposes	1,134	-	-	1,134
Designated for Subsequent Year's Expenditures	12,687	-	-	12,687
Unassigned	26,769	-	-	26,769
Special Revenue Fund	-	(14,216)	-	(14,216)
<b>Total Fund Balances</b>	<b>1,132,940</b>	<b>16,537</b>	<b>3</b>	<b>1,149,480</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 1,208,033</b>	<b>\$ 223,811</b>	<b>\$ 3</b>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,619,596 and the accumulated depreciation is \$4,710,859.				2,908,737
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
Deferred Outflows related to pensions				128,602
Deferred Inflows related to pensions				(416,130)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				(4,396)
Internal Fund Net Assets				31,946
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(47,811)
Long-term liabilities, including net pension liability, capital lease and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(1,411,179)
<b>Net Position of Governmental Activities</b>				<b>\$ 2,339,249</b>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2021
<b>Revenues:</b>				
Local Sources:				
Local Tax Levy	\$ 2,888,365	\$ -	\$ 130,343	\$ 3,018,708
Interest Earned	555	-	2	557
Miscellaneous	12,963	6,249	-	19,212
<b>Total Local Sources</b>	<b>2,901,883</b>	<b>6,249</b>	<b>130,345</b>	<b>3,038,477</b>
State Sources	3,658,184	134,785	-	3,792,969
Federal Sources	-	288,417	-	288,417
<b>Total Revenues</b>	<b>6,560,067</b>	<b>429,451</b>	<b>130,345</b>	<b>7,119,863</b>
<b>Expenditures:</b>				
Current Expense:				
Regular Instruction	1,767,917	254,945	-	2,022,862
Special Education Instruction	294,473	-	-	294,473
Other Instruction	24,828	-	-	24,828
School Sponsored	4,464	-	-	4,464
Support Services:				
Tuition	192,538	85,727	-	278,265
Attendance Services	18,427	-	-	18,427
Health Services	73,539	-	-	73,539
Student & Instruction Related Services	377,109	95,942	-	473,051
Educational Media Services/School Library	596	-	-	596
General Administration	251,757	-	-	251,757
School Administration	63,796	-	-	63,796
Central Services	168,074	-	-	168,074
Plant Operations & Maintenance	518,940	-	-	518,940
Pupil Transportation	367,293	-	-	367,293
Unallocated Employee Benefits	954,509	-	-	954,509
On Behalf TPAF Pension and Social Security Contributions	1,069,646	-	-	1,069,646
Debt Service:				
Principal	48,434	-	105,000	153,434
Interest & Other Charges	17,839	-	25,344	43,183
<b>Total Expenditures</b>	<b>6,214,179</b>	<b>436,614</b>	<b>130,344</b>	<b>6,781,137</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	345,888	(7,163)	1	338,726
Other Financing Sources/(Uses)				
Cancellation of Prior Year Payables	59,816	-	-	59,816
Transfers to Charter School	(121,171)	-	-	(121,171)
<b>Total Other Financing Sources/(Uses)</b>	<b>(61,355)</b>	<b>-</b>	<b>-</b>	<b>(61,355)</b>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	284,533	(7,163)	1	277,371
Fund Balances, July 1	848,407	(6,843)	2	841,566
Prior Period Adjustments	-	30,543	-	30,543
<b>Fund Balances July 1 (Restated)</b>	<b>\$ 848,407</b>	<b>\$ 23,700</b>	<b>\$ 2</b>	<b>\$ 872,109</b>
<b>Fund Balances June 30</b>	<b>\$ 1,132,940</b>	<b>\$ 16,537</b>	<b>\$ 3</b>	<b>\$ 1,149,480</b>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 277,371

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

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

	\$ (190,131)	
Depreciation Expense		
Deletions, Transfers and Adjustments	(125,223)	(315,354)

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

		105,000
Bond Principal		
Capital Lease		48,434

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.

47,102

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

1,469

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 (+).

13,605

Change in Net Position of Governmental Activities

\$ 177,627

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## Proprietary Funds

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE	
	ACTIVITIES	GOVERNMENTAL
ASSETS	ENTERPRISE FUND	ACTIVITIES
	FOOD	INTERNAL
	SERVICE	SERVICE
	FUND	FUND
Current Assets:		
Cash & Cash Equivalents	\$ 64,039	\$ 32,733
Accounts Receivable	13,953	-
Inventories	5,161	-
	83,153	32,733
Total Current Assets		
Noncurrent Assets:		
Equipment	123,559	-
Accumulated Depreciation	(108,625)	-
	14,934	-
Total Capital Assets		
	98,087	32,733
Total Assets		
LIABILITIES:		
Current Liabilities:		
Unearned Revenue	1,964	787
	1,964	787
Total Current Liabilities		
NET POSITION		
Investment in Capital Assets	14,934	-
Unrestricted Net Position	81,189	31,946
	96,123	31,946
Total Net Position		
	\$ 96,123	\$ 31,946

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION  
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND	INTERNAL SERVICE FUND
Operating Revenue:		
Local Sources:		
Daily Sales - Nonreimbursable Programs	\$ 339	\$ -
Total Operating Revenue	339	-
Operating Expenses:		
Repairs & Other Expenses	3,050	-
Other Purchased Services-Contracted	131,199	-
Depreciation	1,844	-
Miscellaneous Expense	5,211	-
Total Operating Expenses	141,304	-
Operating (Loss)/Gain	(140,965)	-
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	4,663	-
Federal Sources:		
National School Breakfast Program	53,727	-
National School Lunch Program	85,583	-
Food Distribution Program	11,619	-
Gain/(Loss) on Capital Assets	(6,681)	-
Total Nonoperating Revenues	148,911	-
Net Income/(Loss)	7,946	-
Change in Net Position	7,946	-
Total Net Position - Beginning	88,177	31,946
Total Net Position - Ending	\$ 96,123	\$ 31,946

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE	
	ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES
	FOOD SERVICE FUND	INTERNAL SERVICE FUND
Cash Flows From Operating Activities:		
Receipts from Customers	\$ (270)	\$ -
Payments to Suppliers	(141,112)	-
Net Cash Provided/(Used) by Operating Activities	(141,382)	-
Cash Flows From Noncapital Financing Activities:		
State Sources	3,696	-
Federal Sources	144,763	-
Net Cash Provided by Noncapital Financing Activities	148,459	-
Net Increase/(Decrease) in Cash & Cash Equivalents	7,077	-
Cash and Cash Equivalents, July 1	56,962	32,733
Cash & Cash Equivalents, June 30	\$ 64,039	\$ 32,733
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:</b>		
Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (140,965)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	1,844	-
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	(1,652)	-
Increase/(Decrease) in Unearned Revenue	(609)	-
Total Adjustments	(417)	-
Net Cash Provided/(Used) by Operating Activities	\$ (141,382)	\$ -

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

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 1. Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Deerfield Township School District is a Type II School District located in the County of Cumberland, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. The purpose of the School District is to educate students in grades kindergarten through eighth at its one school. The School District has an approximate enrollment at June 30, 2021 of 272 students.

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

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

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

**Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2021.

**Government-Wide Financial Statements**

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

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

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

**Governmental Fund Financial Statements**

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

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

**Proprietary Fund Financial Statements**

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

**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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

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

The District reports the following major governmental funds:

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

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

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

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

**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 the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are special authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

The District reports the following major proprietary funds:

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

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

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

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

**Budgets/Budgetary Control**

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

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

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

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

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

**Encumbrances**

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

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

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

**Cash and Cash Equivalents**

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

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

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

**Interfund Receivables/Payables**

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

**Capital Assets**

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

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

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

**Compensated Absences**

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

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**Accounting Estimates**

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

**Interfund Activity**

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Deferred Loss of Refunding Debt**

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Pensions**

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

**Fund Balance**

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**Net Position**

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 2. Cash Deposits and Investments (continued):**

below. As of June 30, 2021, the District's bank balance of \$1,609,909 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,399,813
Uninsured and Uncollateralized		210,096
		\$ 1,609,909

**Investments**

The District has no investments at June 30, 2021.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

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

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

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	90,401
Increased by:		
Interest Earnings		5
Ending Balance, June 30, 2021		\$ 90,406

The June 30, 2021 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

**B. Maintenance Reserve**

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 3. Reserve Accounts (continued)**

**B. Maintenance Reserve (continued)**

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	261,565
Increased by:		
Interest Earnings		50
Ending Balance, June 30, 2021	\$	261,615

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and proprietary funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds			Proprietary Funds	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 223,811	\$ 223,811	\$ 12,921	\$ 12,921
State Awards	15,911	-	15,911	1,032	1,032
<b>Total</b>	<b>\$ 15,911</b>	<b>\$ 223,811</b>	<b>\$ 239,722</b>	<b>\$ 13,953</b>	<b>\$ 13,953</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements and Transfers	Balance June 30, 2021
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 15,698	\$ -	\$ -	\$ 15,698
Total Capital Assets not being depreciated	15,698	-	-	15,698
Capital Assets being depreciated:				
Buildings and Improvements	6,933,755	-	(334,056)	6,599,699
Equipment	736,579	-	267,620	1,004,199
Total Capital Assets being depreciated	7,670,334	-	(66,436)	7,603,898
Less: Accumulated Depreciation:				
Buildings and Improvements	(3,728,810)	(162,287)	17,774	(3,873,323)
Equipment	(733,131)	(27,844)	(76,561)	(837,536)
Total Accumulated Depreciation	(4,461,941)	(190,131)	(58,787)	(4,710,859)
Total Capital Assets being depreciated, net	3,208,393	(190,131)	(125,223)	2,893,039
Total Governmental Activities Capital Assets, net	<b>\$ 3,224,091</b>	<b>\$ (190,131)</b>	<b>\$ (125,223)</b>	<b>\$ 2,908,737</b>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 5. Capital Assets (continued)**

	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2021</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 191,129	\$ -	\$ (67,570)	\$ 123,559
	<u>191,129</u>	<u>-</u>	<u>(67,570)</u>	<u>123,559</u>
Less: Accumulated Depreciation:				
Equipment	(167,671)	(1,844)	60,890	(108,625)
	<u>(167,671)</u>	<u>(1,844)</u>	<u>60,890</u>	<u>(108,625)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 23,458</u>	<u>\$ (1,844)</u>	<u>\$ (6,680)</u>	<u>\$ 14,934</u>

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 5,941	\$ -
Special Revenue Fund	<u>-</u>	<u>5,941</u>
	<u>\$ 5,941</u>	<u>\$ 5,941</u>

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

There were no interfund transfers in the current year.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations:

	Balance July 1, 2020	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2021	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 690,000	\$ -	\$ 105,000	\$ 585,000	\$ 100,000
Capital Leases	150,000	-	48,434	101,566	49,984
Compensated Absences	114,633	-	13,605	101,028	-
Net Pension Liability	730,497	-	106,912	623,585	-
	<u>\$ 1,685,130</u>	<u>\$ -</u>	<u>\$ 273,951</u>	<u>\$ 1,411,179</u>	<u>\$ 149,984</u>

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 7. Long-Term Obligations (continued):**

**A. Bonds Payable:**

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

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

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

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000	\$ 21,756	\$ 121,756
2023	100,000	17,944	117,944
2024	100,000	13,819	113,819
2025	100,000	9,694	109,694
2026	100,000	5,569	105,569
2027	85,000	1,753	86,753
	<u>\$ 585,000</u>	<u>\$ 70,535</u>	<u>\$ 655,535</u>

**Bonds Authorized But Not Issued:**

As of June 30, 2021, the District had no authorized but not issued bonds.

**B. Capital Leases**

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 7. Long-Term Obligations (continued):**

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 53,233
2023	<u>53,233</u>
Total Minimum Lease Payments	106,466
Less: Amount Representing Interest	<u>(4,900)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 101,566</u></u>

**Note 8. Pension Plans**

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

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2021, the School District reported a liability of \$623,585 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.003823%, which was a decrease of 0.00023% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$(5,270) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 11,354	\$ 2,205
Changes of Assumptions	20,230	261,101
Net Difference between Projected and Actual Earnings on Pension Plan Investments	21,315	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	27,892	152,824
School District Contributions Subsequent to Measurement Date	47,811	
	\$ 128,602	\$ 416,130

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

\$47,811 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ (112,055)
2022	(125,195)
2023	(83,204)
2024	(28,791)
2025	<u>13,906</u>
	<u>\$ (335,339)</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
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
June 30, 2020	-	5.16
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	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ 791,162	\$ 623,585	\$ 490,455

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2021</u>	<u>6/29/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.00382%	0.00405%

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

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

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

The following represents the membership tiers for TPAF:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$15,585,211. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.023668%, which was an increase of 0.000915% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$969,155 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

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

	<b>1% Decrease <u>(4.40%)</u></b>	<b>Current Discount Rate <u>(5.40%)</u></b>	<b>1% Increase <u>(6.40%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>18,306,653</u>	<u>15,585,211</u>	<u>13,325,508</u>
	<u>\$ 18,306,653</u>	<u>\$ 15,585,211</u>	<u>\$ 13,325,508</u>

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

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

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.02367%	0.02275%

**C. Defined Contribution Plan (DCRP)**

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued):**

**C. Defined Contribution Plan (DCRP) (continued):**

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per
- week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2021, employee contributions totaled \$8,917, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$268.

**Note 9. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

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

**Basis of Presentation**

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

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability:                   \$     67,809,962,608

**Inflation Rate:**   2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$20,081,641. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.029614%, which was a decrease of 0.000784% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$873,072 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. 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.

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

	<b>June 30, 2020</b>		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 24,209,455	\$ 20,081,641	\$ 16,854,088
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2020</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 16,210,578	\$ 20,081,641	\$ 24,691,217
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year	11,534,251,250	(7,737,500,827)
Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

\*\* Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	4,704,163,473
	<u>\$ 4,921,365,558</u>

**Plan Membership**

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	\$ 216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
	<u>\$ 366,108</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	(1,180,515,618)
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	41,729,084,045
Total OPEB Liability (Ending)	<u>\$ 67,809,965,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$214,900, \$685,739, \$404 and \$168,603, respectively.

**Note 11. Risk Management**

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

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

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

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Economic Dependency**

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 14. Deferred Compensation**

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

Lincoln Investment Planning, Inc.  
Siracusa Befits Program  
403(b) ASP

**Note 15. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2021 is \$101,028.

**Note 16. Tax Abatements**

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

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**Note 17. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2021 was \$516,482.

**Note 18. Fund Balance**

**General Fund** – Of the \$1,132,940 General Fund fund balance at June 30, 2021, \$90,406 has been reserved in the Capital Reserve Account; \$261,615 has been reserved in the Maintenance Reserve Account; \$516,482 is restricted for current year excess surplus; \$223,847 is restricted for excess surplus – designated for subsequent year’s expenditures; \$1,134 is assigned to other purposes; \$12,687 is designated for subsequent year’s expenditures and \$26,769 is unassigned.

**Special Revenue Fund** – Of the \$16,537 Special Revenue Fund fund balance at June 30, 2021, \$30,753 has been reserved for Student Activities and \$(14,216) is unassigned.

**Debt Service Fund** – Of the \$2 Debt Service Fund fund balance at June 30, 2021, \$3 is restricted for future debt service payments.

**Note 19. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$(1,006,028) at June 30, 2020. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2021.

**Note 20. Prior Period Adjustment/Restatement of Net Position and Fund Balance**

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for Student Activities. The beginning balances as of July 1, 2020 were adjusted as follows:

**Prior Period Adjustment to Net Position**

Balance, July 1, 2020 prior to Adjustment		\$ 2,131,079
Add:		
Student Activities		30,543
Balance, July 1, 2020, Restated		\$ 2,161,622

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 20. Prior Period Adjustment/Restatement of Net Position and Fund Balance (continued)**

**Prior Period Adjustment to Fund Balance (Special Revenue Fund)**

Balance, July 1, 2020 prior to Adjustment	\$ (6,843)
Add:	
Student Activities	<u>30,543</u>
Balance, July 1, 2020, Restated	<u>\$ 23,700</u>

**Note 21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 15, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the following have come to the attention of the District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>						
Local Tax Levy	10-1210	\$ 2,888,365	\$ -	\$ 2,888,365	\$ 2,888,365	\$ -
Interest on Investments	10-1510	5,045	-	5,045	500	(4,545)
Interest Earned on Maintenance Reserve	10-1XXX	50	-	50	50	-
Interest Earned on Capital Reserve	10-1XXX	5	-	5	5	-
Miscellaneous Revenues	10-1XXX	-	-	-	12,963	12,963
<b>Total Local Sources</b>		<b>2,893,465</b>	<b>-</b>	<b>2,893,465</b>	<b>2,901,883</b>	<b>8,418</b>
<b>State Sources:</b>						
Equalization Aid	10-3176	2,234,818	-	2,234,818	2,234,818	-
Categorical Special Education Aid	10-3132	194,666	-	194,666	194,666	-
Categorical Security Aid	10-3177	45,634	-	45,634	45,634	-
Categorical Transportation Aid	10-3121	95,887	-	95,887	95,887	-
Non Public Transportation	10-3XXX	-	-	-	7,830	7,830
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	685,739	685,739
On-Behalf Post Retirement Medical Contribution		-	-	-	214,900	214,900
On-Behalf Long-Term Disability Insurance		-	-	-	404	404
Reimbursed TPAF Social Security Contribution		-	-	-	168,603	168,603
<b>Total State Sources</b>		<b>2,571,005</b>	<b>-</b>	<b>2,571,005</b>	<b>3,648,481</b>	<b>1,077,476</b>
<b>Total Revenues</b>		<b>5,464,470</b>	<b>-</b>	<b>5,464,470</b>	<b>6,550,364</b>	<b>1,085,894</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
Salaries of Teachers	11-105-100-101	41,088	34,724	75,812	75,450	362
Local Contribution - Trans to Special Revenue- Inclusion	11-105-100-106	7,482	39,588	47,070	47,070	-
Preschool/Kindergarten - Salaries of Teachers	11-110-100-101	198,619	45,483	244,102	240,944	3,158
Grades 1-5	11-120-100-101	855,818	(26,609)	829,209	820,650	8,559
Grades 6 - 8	11-130-100-101	491,728	(18,207)	473,521	470,639	2,882
<b>Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	2,000	-	2,000	-	2,000
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	-	482	482	329	153
<b>Purchased Professional -</b>						
Educational Services	11-190-100-320	100	453	553	553	-
Other Purchased Services	11-190-100-500	67,358	-	67,358	57,472	9,886
General Supplies	11-190-100-610	74,202	(1,629)	72,573	53,774	18,799
Textbooks	11-190-100-640	650	(606)	44	-	44
Miscellaneous Expenditures	11-190-100-890	-	1,036	1,036	1,036	-
<b>Total Regular Programs</b>		<b>1,739,045</b>	<b>74,715</b>	<b>1,813,760</b>	<b>1,767,917</b>	<b>45,843</b>
<b>Special Education:</b>						
<b>Resource Room:</b>						
Salaries of Teachers	11-213-100-101	270,515	(43,863)	226,652	208,383	18,269
Other Salaries for Instruction	11-213-100-106	150,023	(59,428)	90,595	85,721	4,874
General Supplies	11-213-100-610	1,800	-	1,800	369	1,431
<b>Total Resource Room</b>		<b>422,338</b>	<b>(103,291)</b>	<b>319,047</b>	<b>294,473</b>	<b>24,574</b>
<b>Total Special Education</b>		<b>422,338</b>	<b>(103,291)</b>	<b>319,047</b>	<b>294,473</b>	<b>24,574</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	1,615	27,606	29,221	24,828	4,393
General Supplies	11-230-100-610	300	-	300	-	300
<b>Total Basic Skills/Remedial</b>		<b>1,915</b>	<b>27,606</b>	<b>29,521</b>	<b>24,828</b>	<b>4,693</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	9,522	-	9,522	4,464	5,058
Other Purchased Services	11-401-100-500	100	-	100	-	100
Supplies and Materials	11-401-100-600	1,300	-	1,300	-	1,300
<b>Total School Sponsored Cocurricular Activities</b>		<b>10,922</b>	<b>-</b>	<b>10,922</b>	<b>4,464</b>	<b>6,458</b>
<b>School Sponsored Athletics - Instruction:</b>						
Salaries	11-402-100-100	10,700	-	10,700	-	10,700
General Supplies	11-402-100-610	2,015	-	2,015	-	2,015
<b>Total School Sponsored Athletics Instruction</b>		<b>12,715</b>	<b>-</b>	<b>12,715</b>	<b>-</b>	<b>12,715</b>
<b>Total Instruction</b>		<b>2,186,935</b>	<b>(970)</b>	<b>2,185,965</b>	<b>2,091,682</b>	<b>94,283</b>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Undistributed Expenditures:</b>						
<b>Instruction :</b>						
Tuition to Other LEAs Within the State - Special	11-000-100-562	91,296	(65,389)	25,907	25,907	-
Tuition to CSSD & Regional Day School	11-000-100-565	137,278	31,802	169,080	166,631	2,449
<b>Total Undistributed Expenditures - Instruction</b>		<b>228,574</b>	<b>(33,587)</b>	<b>194,987</b>	<b>192,538</b>	<b>2,449</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	11,377	-	11,377	11,377	-
Other Purchased Services	11-000-211-500	7,953	-	7,953	7,050	903
<b>Total Attendance &amp; Social Work Services</b>		<b>19,330</b>	<b>-</b>	<b>19,330</b>	<b>18,427</b>	<b>903</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	113,753	(1,165)	112,588	70,070	42,518
Purchased Professional & Technical Services	11-000-213-300	1,600	(510)	1,090	-	1,090
Other Purchased Services	11-000-213-500	500	(369)	131	-	131
Supplies and Materials	11-000-213-600	3,100	369	3,469	3,469	-
<b>Total Health Services</b>		<b>118,953</b>	<b>(1,675)</b>	<b>117,278</b>	<b>73,539</b>	<b>43,739</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	-	24,127	24,127	24,127	-
Purchased Professional Educational Services	11-000-216-320	174,390	(97,620)	76,770	39,903	36,867
Supplies and Materials	11-000-216-600	500	1,715	2,215	2,215	-
<b>Total Other Support Services-Students-Related Services</b>		<b>174,890</b>	<b>(71,778)</b>	<b>103,112</b>	<b>66,245</b>	<b>36,867</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	79,271	-	79,271	78,112	1,159
Other Purchased Professional & Technical Services	11-000-218-390	200	-	200	-	200
Supplies and Materials	11-000-218-600	300	-	300	225	75
<b>Total Other Support Services - Students - Regular</b>		<b>79,771</b>	<b>-</b>	<b>79,771</b>	<b>78,337</b>	<b>1,434</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	46,538	-	46,538	41,618	4,920
Salaries of Secretarial & Clerical Assistants	11-000-219-105	33,427	(4,112)	29,315	27,856	1,459
Purchased Professional Educational Services	11-000-219-320	26,802	3,745	30,547	30,547	-
Other Purchased Services	11-000-219-500	4,304	-	4,304	3,974	330
Supplies and Materials	11-000-219-600	2,650	(880)	1,770	1,760	10
Other Objects	11-000-219-800	100	-	100	-	100
<b>Total Other Support Services-Students-Special Services</b>		<b>113,821</b>	<b>(1,247)</b>	<b>112,574</b>	<b>105,755</b>	<b>6,819</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries of Other Professional Staff	11-000-221-104	127,606	(15,319)	112,287	112,287	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	14,661	-	14,661	14,313	348
Other Purchased Services	11-000-221-500	1,000	-	1,000	-	1,000
Supplies and Materials	11-000-221-600	600	-	600	172	428
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>143,867</b>	<b>(15,319)</b>	<b>128,548</b>	<b>126,772</b>	<b>1,776</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	950	-	950	-	950
Other Purchased Services	11-000-222-500	250	-	250	-	250
Supplies and Materials	11-000-222-600	1,646	-	1,646	596	1,050
<b>Total Educational Media Services/School Library</b>		<b>2,846</b>	<b>-</b>	<b>2,846</b>	<b>596</b>	<b>2,250</b>
<b>Support Services Instructional Staff Training Service:</b>						
Purchased Professional & Educational Services	11-000-223-320	500	-	500	-	500
Other Purchased Services	11-000-223-500	1,650	(1,560)	90	-	90
<b>Total Support Services Instructional Staff Training</b>		<b>2,150</b>	<b>(1,560)</b>	<b>590</b>	<b>-</b>	<b>590</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	172,361	(29,924)	142,437	130,877	11,560
Legal Services	11-000-230-331	21,810	6,553	28,363	28,363	-
Audit Services	11-000-230-332	16,000	5,500	21,500	21,500	-
Other Purchased Professional Services	11-000-230-339	4,000	12,775	16,775	16,775	-
Purchased Technical Services	11-000-230-340	250	(250)	-	-	-
Communications/Telephone	11-000-230-530	15,785	15,399	31,184	30,679	505
BOE Other Purchased Services	11-000-230-585	740	(706)	34	-	34
Other Purchased Services	11-000-230-590	19,606	(2,613)	16,993	16,993	-
Supplies and Materials	11-000-230-600	1,000	(244)	756	756	-
BOE In-House Training Supplies	11-000-230-630	-	-	-	-	-
Miscellaneous Expenditures	11-000-230-890	2,000	830	2,830	2,830	-
BOE Membership Dues & Fees	11-000-230-895	3,015	(30)	2,985	2,984	1
<b>Total Support Services General Administration</b>		<b>256,567</b>	<b>7,290</b>	<b>263,857</b>	<b>251,757</b>	<b>12,100</b>



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Support Services School Administration:</b>						
Salaries of Other Professional Staff	11-000-240-104	40,606	12,088	52,694	40,600	12,094
Salaries of Secretarial & Clerical Assistants	11-000-240-105	11,491	4,057	15,548	15,548	-
Purchased Professional & Technical Services	11-000-240-300	-	1,955	1,955	1,894	61
Other Purchased Services	11-000-240-500	650	(568)	82	82	-
Supplies and Materials	11-000-240-600	600	1,777	2,377	2,377	-
Other Objects	11-000-240-800	144	3,151	3,295	3,295	-
<b>Total Support Services School Administration</b>		<b>53,491</b>	<b>22,460</b>	<b>75,951</b>	<b>63,796</b>	<b>12,155</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	145,348	(108)	145,240	144,799	441
Purchased Professional Services	11-000-251-330	1,175	1,035	2,210	1,412	798
Purchased Technical Services	11-000-251-340	17,016	(1,907)	15,109	14,691	418
Miscellaneous Purchased Services	11-000-251-592	260	(100)	160	125	35
Supplies & Materials	11-000-251-600	1,500	(136)	1,364	1,258	106
Interest on Lease Purchase	11-000-251-832	4,800	-	4,800	4,799	1
Miscellaneous Expenditures	11-000-251-890	1,065	-	1,065	990	75
<b>Total Central Services</b>		<b>171,164</b>	<b>(1,216)</b>	<b>169,948</b>	<b>168,074</b>	<b>1,874</b>
<b>Allowance Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	48,932	628	49,560	49,560	-
Maintenance Services	11-000-261-420	98,608	(10,411)	88,197	85,376	2,821
General Supplies	11-000-261-610	16,745	(7,061)	9,684	7,280	2,404
<b>Total Allowance Maintenance for School Facilities</b>		<b>164,285</b>	<b>(16,844)</b>	<b>147,441</b>	<b>142,216</b>	<b>5,225</b>
<b>Other Operation &amp; Maintenance of Plant Services:</b>						
Purchased Professional & Technical Services	11-000-262-300	179,020	6,226	185,246	185,246	-
Cleaning, Repair & Maintenance Services	11-000-262-420	6,750	(3,909)	2,841	1,776	1,065
Insurance	11-000-262-520	26,177	(385)	25,792	25,741	51
Miscellaneous Purchased Services	11-000-262-590	460	(100)	360	360	-
General Supplies	11-000-262-610	7,133	-	7,133	4,394	2,739
Energy (Natural Gas)	11-000-262-621	35,244	5,385	40,629	39,373	1,256
Energy (Electricity)	11-000-262-622	128,333	-	128,333	97,827	30,506
Other Objects	11-000-262-800	100	-	100	-	100
<b>Total Other Operation &amp; Maintenance of Plant Services</b>		<b>383,217</b>	<b>7,217</b>	<b>390,434</b>	<b>354,717</b>	<b>35,717</b>
<b>Care &amp; Upkeep of Grounds</b>						
Salaries	11-000-263-100	12,118	138	12,256	12,118	138
Cleaning, Repair & Maintenance Services	11-000-263-420	700	1,123	1,823	1,823	-
General Supplies	11-000-263-610	4,575	(3,726)	849	398	451
<b>Total Care &amp; Upkeep of Grounds</b>		<b>17,393</b>	<b>(2,465)</b>	<b>14,928</b>	<b>14,339</b>	<b>589</b>
<b>Student Transportation Services:</b>						
Salaries for Pupil Transportation (Other Than Between Home & School) Management Fee-ESC & CTSA	11-000-270-162	14,171	387	14,558	14,172	386
Transportation Program	11-000-270-350	10,910	-	10,910	10,910	-
Aid in Lieu of Payments	11-000-270-503	24,000	-	24,000	19,392	4,608
Contracted Services Aid in Lieu - Charter Schools	11-000-270-504	2,000	-	2,000	962	1,038
Contracted Services Aid in Lieu - Choice School	11-000-270-505	34,000	(8,000)	26,000	15,879	10,121
Contracted Services (Between Home & School) - Vendors	11-000-270-511	10,521	(7,821)	2,700	2,700	-
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	12,318	(11,724)	594	-	594
Contracted Services (Between Home & School) - Joint	11-000-270-513	207,703	(3,622)	204,081	201,970	2,111
Contracted Services (Special Education Students) - ESC	11-000-270-518	213,139	-	213,139	101,308	111,831
<b>Total Student Transportation Services</b>		<b>528,762</b>	<b>(30,780)</b>	<b>497,982</b>	<b>367,293</b>	<b>130,689</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security	11-000-291-220	45,620	6,354	51,974	50,601	1,373
Other Retirement Contributions - PERS	11-000-291-241	50,444	1,299	51,743	51,743	-
Unemployment Compensation	11-000-291-250	12,000	-	12,000	10,355	1,645
Workmen's Compensation	11-000-291-260	38,980	(6,075)	32,905	30,621	2,284
Health Benefits	11-000-291-270	865,636	14,249	879,885	781,310	98,575
Other Employee Benefits	11-000-291-290	4,250	25,629	29,879	29,879	-
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>1,016,930</b>	<b>41,456</b>	<b>1,058,386</b>	<b>954,509</b>	<b>103,877</b>
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	685,739	(685,739)
On-Behalf Post Retirement Medical Contribution		-	-	-	214,900	(214,900)
On-Behalf Long-Term Disability Insurance		-	-	-	404	(404)
Reimbursed TPAF Social Security Contribution		-	-	-	168,603	(168,603)
<b>Total Undistributed Expenditures</b>		<b>3,476,011</b>	<b>(98,048)</b>	<b>3,377,963</b>	<b>4,048,556</b>	<b>(670,593)</b>
<b>Total Expenditures - Current Expense</b>		<b>5,662,946</b>	<b>(99,018)</b>	<b>5,563,928</b>	<b>6,140,238</b>	<b>(576,310)</b>
<b>Facilities Acquisition &amp; Construction Services:</b>						
Architectural/Engineering Services	12-000-400-334	-	1,045	1,045	-	1,045
Construction Services	12-000-400-450	-	7,668	7,668	7,668	-
Lease Purchase Principal	12-000-400-721	48,434	-	48,434	48,434	-
Assessment for Debt Service on SDA Funding	12-000-400-896	17,839	-	17,839	17,839	-
<b>Total Facilities Acquisition &amp; Construction Services</b>		<b>66,273</b>	<b>8,713</b>	<b>74,986</b>	<b>73,941</b>	<b>1,045</b>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Interest Deposit to Capital Reserve	10-604	5	-	5	-	5
Interest Deposit to Maintenance Reserve	10-606	50	-	50	-	50
Total Capital Outlay		66,328	8,713	75,041	73,941	1,100
Total Expenditures		5,729,274	(90,305)	5,638,969	6,214,179	(575,210)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(264,804)	90,305	(174,499)	336,185	510,684
Other Financing Sources/(Uses):						
Transfer to Charter School	10-000-100-56X	(20,533)	(100,638)	(121,171)	(121,171)	-
Transfer from Other Funds		15,000	-	15,000	-	(15,000)
Cancellation of Prior Year Accounts Payable		-	-	-	59,816	59,816
Total Other Financing Sources/(Uses)		(5,533)	(100,638)	(106,171)	(61,355)	44,816
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under)   Expenditures & Other Financing Sources/(Uses)		(270,337)	(10,333)	(280,670)	274,830	555,500
Fund Balances, July 1		1,089,171	-	1,089,171	1,089,171	-
Fund Balances, June 30		\$ 818,834	\$ (10,333)	\$ 808,501	\$ 1,364,001	\$ 555,500

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	<u>\$ 10,333</u>
Total	<u><u>\$ 10,333</u></u>

**RECAPITULATION OF FUND BALANCE:**

Restricted for:	
Capital Reserve	\$ 90,406
Maintenance Reserve	261,615
Excess Surplus	516,482
Excess Surplus Designated for Subsequent Year's Expenditures	223,847
Assigned to:	
Year-End Encumbrances	1,134
Designated for Subsequent Year's Expenditures	12,687
Unassigned Fund Balance	<u>257,830</u>
Subtotal	1,364,001
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(231,061)</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 1,132,940</u></u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 186,434	\$ 187,250	\$ 373,684	\$ 288,237	\$ (85,447)
State Sources	142,158	-	142,158	142,158	-
Local Sources	-	3,045	3,045	6,249	3,204
<b>Total Revenues</b>	<b>328,592</b>	<b>190,295</b>	<b>518,887</b>	<b>436,644</b>	<b>(82,243)</b>
Expenditures:					
Instruction:					
Salaries	138,829	88,186	227,015	194,212	32,803
Other Purchased Services	-	1,000	1,000	750	250
Supplies & Materials	60,000	50,501	110,501	59,803	50,698
<b>Total Instruction</b>	<b>198,829</b>	<b>139,687</b>	<b>338,516</b>	<b>254,765</b>	<b>83,751</b>
Support Services:					
Benefits	31,329	3,546	34,875	34,875	-
Purchased Professional Services		2,610	2,610	2,000	610
Other Purchased Services	9,307	22,319	31,626	31,320	306
Tuition	85,727	-	85,727	85,727	-
Supplies	3,400	22,133	25,533	24,753	780
Student Activities	-	-	-	2,994	(2,994)
<b>Total Support Services</b>	<b>129,763</b>	<b>50,608</b>	<b>180,371</b>	<b>181,669</b>	<b>(1,298)</b>
<b>Total Expenditures</b>	<b>328,592</b>	<b>190,295</b>	<b>518,887</b>	<b>436,434</b>	<b>82,453</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ 210</u>
Fund Balance, July 1				\$ -	
Prior Period Adjustment				<u>30,543</u>	
Fund Balance, July 1 (Restated)				<u>30,543</u>	
Fund Balance, June 30				<u><u>\$ 30,753</u></u>	

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 6,550,364	\$ 436,644
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	180
Current Year	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	240,764	6,843
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(231,061)	(14,216)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 6,560,067	\$ 429,451
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,214,179	\$ 436,434
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	180
Current Year	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 6,214,179	\$ 436,614

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00382%	0.00405%	0.00478%	0.00478%	0.00487%	0.00471%	0.00381%	0.00442%
District's proportionate share of the net pension liability (asset)	\$ 623,585	\$ 730,497	\$ 940,890	\$ 1,134,328	\$ 1,395,401	\$ 854,417	\$ 827,889	\$ 825,097
District's covered-employee payroll	280,167	299,356	275,158	283,140	310,918	345,646	307,827	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	341.95%	341.95%	341.95%	400.62%	448.80%	247.22%	268.95%	N/A
Plan fiduciary net position as a percentage of the total pension liability	56.27%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 41,832	\$ 39,435	\$ 47,532	\$ 45,142	\$ 41,856	\$ 32,727	\$ 36,453	\$ 32,529
Contributions in relation to the contractually required contribution	(41,832)	(39,435)	(47,532)	(45,142)	(41,856)	(32,727)	(36,453)	(32,529)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 280,167	\$ 299,356	\$ 275,158	\$ 283,140	\$ 310,918	\$ 345,646	\$ 307,827	\$ 307,827
Contributions as a percentage of covered payroll	14.93%	13.17%	17.27%	15.94%	13.46%	9.47%	11.84%	11.84%

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 15,585,211	\$ 13,963,604	\$ 14,759,044	\$ 15,189,317	\$ 16,023,288	\$ 13,353,249	\$ 11,774,954	\$ 9,834,266
School District's covered payroll	\$ 2,263,715	\$ 2,166,604	\$ 2,580,853	\$ 2,393,151	\$ 2,370,769	\$ 2,334,916	\$ 2,243,091	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

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



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

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

	2021	2020	2019	2018
Total OPEB Liability Associated with the District				
Service Cost	\$ 443,734	\$ 411,075	\$ 486,337	\$ 713,616
Interest Cost	453,628	546,486	583,968	507,028
Differences Between Expected and Actual Changes of Assumptions	3,169,962	(1,980,899)	(1,223,055)	-
Contributions: Member	3,668,226	189,136	(1,594,768)	(2,114,285)
Gross Benefit Payments	10,597	11,543	12,843	13,649
	<u>(349,605)</u>	<u>(389,395)</u>	<u>(371,605)</u>	<u>(370,673)</u>
Net Change in Total OPEB Liability Associated with the District	7,396,542	(1,212,054)	(2,106,280)	(1,250,665)
Total OPEB Liability Associated with the District (Beginning)	<u>12,685,099</u>	<u>13,897,153</u>	<u>16,003,433</u>	<u>17,254,098</u>
Total OPEB Liability Associated with the District (Ending)	<u>\$ 20,081,641</u>	<u>\$ 12,685,099</u>	<u>\$ 13,897,153</u>	<u>\$ 16,003,433</u>
District's Covered Employee Payroll	\$ 2,543,882	\$ 2,465,960	\$ 2,856,011	\$ 2,676,291
Net OPEB Liability Associated with the District as a Percentage of Payroll	789.41%	514.41%	486.59%	597.97%

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TITLE I PART A	TITLE II PART A	TITLE IV REGULAR	ID.E.A. PART B BASIC	ID.E.A. PART B BASIC	PRESCHOOL EDUCATION	PRESCHOOL EDUCATION	CORONA VIRUS RELIEF PROGRAM	CRRSA ESSER	NISABAIG GRANT	STUDENT ACTIVITIES	TOTAL
Revenues:												
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,045	\$ 3,204	\$ 6,249
State Sources	-	-	-	-	-	142,158	-	-	-	-	-	142,158
Federal Sources	89,777	3,767	10,000	85,727	2,368	-	21,998	74,600	-	-	-	288,237
Total Revenues	\$ 89,777	\$ 3,767	\$ 10,000	\$ 85,727	\$ 2,368	\$ 142,158	\$ 21,998	\$ 74,600	\$ 3,045	\$ 3,204	\$ 3,204	\$ 436,644
Expenditures:												
Instruction:												
Salaries	\$ 61,202	\$ -	\$ -	\$ -	\$ -	\$ 133,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,212
Other Purchased Professional	750	-	-	-	-	-	-	-	-	-	-	750
General Supplies	1,575	-	10,000	-	-	523	21,998	25,707	-	-	-	59,803
Total Instruction	63,527	-	10,000	-	-	133,533	21,998	25,707	-	-	-	254,765
Support Services:												
Personal Services - Employee Benefits	26,250	-	-	-	-	8,625	-	-	-	-	-	34,875
Purchased Professional Services	-	2,000	-	-	-	-	-	-	-	-	-	2,000
Other Purchased Services	-	1,767	-	-	-	-	-	26,943	2,610	-	-	31,320
Tuition	-	-	-	85,727	-	-	-	-	-	-	-	85,727
Supplies	-	-	-	-	2,368	-	-	21,950	435	-	-	24,753
Student Activities	-	-	-	-	-	-	-	-	-	2,994	-	2,994
Total Support Services	26,250	3,767	-	85,727	2,368	8,625	-	48,893	3,045	2,994	2,994	181,669
Total Expenditures	89,777	3,767	10,000	85,727	2,368	142,158	21,998	74,600	3,045	2,994	2,994	436,434
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	210	210
Fund Balance, July 1 Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	-	30,543	30,543
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,753	\$ 30,753

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 137,686	\$ 133,010	\$ 4,676
General Supplies	1,000	523	477
Total Instruction	<u>138,686</u>	<u>133,533</u>	<u>5,153</u>
Support Services:			
Personal Services - Employee Benefits	8,625	8,625	-
Purchased Professional Services	1,329	-	1,329
Contracted Services- Transportation	1,000	-	1,000
Total Support Services	<u>10,954</u>	<u>8,625</u>	<u>2,329</u>
Total Expenditures	<u>\$ 149,640</u>	<u>\$ 142,158</u>	<u>\$ 7,482</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 149,640
Add: Actual Preschool Education Aid Carryover (June 30, 2020)	<u>-</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	149,640
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(149,640)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	-
Add: June 30, 2021 Unexpended Preschool Education Aid Funds	<u>7,482</u>
2020-2021 Carryover - Preschool Education Aid Funds	<u>\$ 7,482</u>
2020-2021 Preschool Education Aid Funds Carryover Budgeted in 2021-2022	<u>\$ -</u>

F. Capital Projects Fund  
Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2021**

ASSETS	FOOD SERVICE FUND
Current Assets:	
Cash & Cash Equivalents	\$ 64,039
Accounts Receivable:	
State	1,032
Federal	12,921
Inventories	<u>5,161</u>
Total Current Assets	<u>83,153</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	123,559
Accumulated Depreciation	<u>(108,625)</u>
Total Noncurrent Assets	<u>14,934</u>
Total Assets	<u>98,087</u>
LIABILITIES	
Current Liabilities:	
Unearned Revenue	<u>1,964</u>
Total Current Liabilities	<u>1,964</u>
Total Liabilities	<u>1,964</u>
NET POSITION	
Investment in Capital Assets	14,934
Unrestricted Net Position	<u>81,189</u>
Total Net Position	<u><u>\$ 96,123</u></u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2021**

	FOOD SERVICE FUND
Operating Revenue:	
Local Sources:	
Daily Sales - Nonreimbursable Programs	\$ 339
Total Operating Revenue	<u>339</u>
Operating Expenses:	
Purchased Services	131,199
Cleaning, Repair & Maintenance Services	3,050
Miscellaneous Expenses	5,211
Depreciation	<u>1,844</u>
Total Operating Expenses	<u>141,304</u>
Operating (Loss)/Gain	<u>(140,965)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	4,663
Federal Sources:	
National School Breakfast Program	53,727
National School Lunch Program	85,583
Food Distribution Program	11,619
Gain/(Loss) on Capital Asset Appraisal	<u>(6,681)</u>
Total Nonoperating Revenues	<u>148,911</u>
Net Income/(Loss)	<u>7,946</u>
Change in Net Position	7,946
Total Net Position - Beginning	<u>88,177</u>
Total Net Position - Ending	<u><u>\$ 96,123</u></u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2021**

	FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ (270)
Payments to Suppliers	<u>(141,112)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(141,382)</u>
Cash Flows From Noncapital Financing Activities:	
Cash received from state reimbursements	3,696
Cash received from federal reimbursements	<u>144,763</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>148,459</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	7,077
Cash & Cash Equivalents, July 1	<u>56,962</u>
Cash & Cash Equivalents, June 30	<u><u>\$ 64,039</u></u>
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:</b>	
Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (140,965)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:	
Depreciation Expense	1,844
Change in Assets & Liabilities:	
(Increase)/Decrease in Inventory	(1,652)
Increase/(Decrease) in Unearned Revenue	<u>(609)</u>
Total Adjustments	<u>(417)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (141,382)</u></u>

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Internal Service Fund

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2021**

	<u>GOVERNMENTAL ACTIVITIES</u>		
	CHILD STUDY TEAM	MUSIC TEACHER CONSORTIUM	2021
Total Net Position- July 1	31,946	-	31,946
Total Net Position - June 30	<u>\$ 31,946</u>	<u>\$ -</u>	<u>\$ 31,946</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF CASH FLOWS  
AS OF JUNE 30, 2021**

	<u>GOVERNMENTAL ACTIVITIES</u>		
	<u>CHILD STUDY</u>	<u>MUSIC TEACHER</u>	
	TEAM	CONSORTIUM	TOTAL
Cash & Cash Equivalents, July 1	\$ 31,946	\$ 787	\$ 32,733
Cash & Cash Equivalents, June 30	\$ 31,946	\$ 787	\$ 32,733

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## I. Long-Term Debt

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2020	ISSUED	REDEEMED	BALANCE JUNE 30, 2021
Series 2011 Refunding Bonds of 08/17/2004 Issue	8/16/2012	\$ 1,460,000	12/01/21 \$ 100,000 12/01/22 100,000 12/01/23 100,000 12/01/24 100,000 12/01/25 100,000 12/01/26 85,000	3.500% 3.500% 3.500% 4.125% 4.125% 4.125%	\$ 690,000	\$ -	\$ 105,000	\$ 585,000
Total					\$ 690,000	\$ -	\$ 105,000	\$ 585,000

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2021**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2020	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2021
HVAC Upgrade	5/14/2019	4 Years	3.20%	\$ 200,000	\$ 150,000	\$ -	\$ 48,434	\$ 101,566
Total					\$ 150,000	\$ -	\$ 48,434	\$ 101,566



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 130,343	\$ -	\$ 130,343	\$ 130,343	\$ -
Interest	-	-	-	2	(2)
Total Revenues	130,343	-	130,343	130,345	(2)
Expenditures:					
Regular Debt Service:					
Interest	25,344	-	25,344	25,344	-
Principal	105,000	-	105,000	105,000	-
Total Expenditures	130,344	-	130,344	130,344	-
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1)	-	(1)	1	2
Fund Balance July 1	2	-	2	2	-
Fund Balance June 30	\$ 1	\$ -	\$ 1	\$ 3	\$ 2

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**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 2,222,171	\$ 2,384,091	\$ 2,303,546	\$ 2,349,275	\$ 2,385,105	\$ 2,422,702	\$ 2,479,173	\$ 2,886,865	\$ 2,977,985	\$ 2,785,494
Restricted	1,123,106	796,452	837,738	761,304	472,960	551,315	503,191	346,443	410,783	601,972
Unrestricted	(1,006,028)	(1,049,464)	(1,055,863)	(1,019,266)	(970,252)	(850,926)	(780,693)	68,845	25,176	64,905
<b>Total Governmental Activities</b>	<b>\$ 2,339,249</b>	<b>\$ 2,131,079</b>	<b>\$ 2,085,421</b>	<b>\$ 2,091,313</b>	<b>\$ 1,887,813</b>	<b>\$ 2,123,091</b>	<b>\$ 2,201,671</b>	<b>\$ 3,302,153</b>	<b>\$ 3,413,944</b>	<b>\$ 3,452,371</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 14,934	\$ 23,458	\$ 24,295	\$ -	\$ 572	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	81,189	64,719	50,347	63,855	63,129	69,216	46,791	48,642	38,528	37,489
<b>Total Business-Type Activities</b>	<b>\$ 96,123</b>	<b>\$ 88,177</b>	<b>\$ 74,642</b>	<b>\$ 63,855</b>	<b>\$ 63,701</b>	<b>\$ 69,216</b>	<b>\$ 46,791</b>	<b>\$ 48,642</b>	<b>\$ 38,528</b>	<b>\$ 37,489</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 2,237,105	\$ 2,407,549	\$ 2,327,841	\$ 2,349,275	\$ 2,385,677	\$ 2,422,702	\$ 2,479,173	\$ 2,886,865	\$ 2,977,985	\$ 2,785,494
Restricted	1,123,106	796,452	837,738	761,304	472,960	551,315	503,191	346,443	410,783	601,972
Unrestricted	(924,839)	(984,745)	(1,005,516)	(955,411)	(907,123)	(781,710)	(733,902)	117,487	63,704	102,394
<b>Total District Net Position</b>	<b>\$ 2,435,372</b>	<b>\$ 2,219,256</b>	<b>\$ 2,160,063</b>	<b>\$ 2,155,168</b>	<b>\$ 1,951,514</b>	<b>\$ 2,192,307</b>	<b>\$ 2,248,462</b>	<b>\$ 3,350,795</b>	<b>\$ 3,452,472</b>	<b>\$ 3,489,860</b>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,022,862	\$ 1,947,832	\$ 1,623,360	\$ 1,705,944	\$ 1,594,638	\$ 1,566,761	\$ 1,671,577	\$ 1,516,987	\$ 1,658,514	\$ 1,594,571
Special Education	294,473	460,017	864,616	658,585	648,673	703,850	694,851	648,247	538,987	575,168
Other Instruction	24,828	24,369	13,952	17,248	12,458	4,026	2,602	4,683	10,024	4,054
Other Special Education	4,464	16,408	98,834	42,188	23,193	23,234	2,637	640	38,000	42,696
Support Services:										
Tuition	278,265	157,923	97,239	158,492	373,532	343,912	250,281	554,228	545,736	411,178
Student & Instruction Related Services	565,613	711,308	724,617	697,142	689,981	651,925	581,542	459,247	440,002	341,208
School Administrative Services	63,796	71,681	72,326	83,779	76,289	78,220	75,208	72,365	64,959	84,326
General & Business Administrative Services	251,757	290,956	434,417	417,918	407,068	384,399	375,635	346,820	408,206	386,355
Central Office & Technology Services	168,074	171,789	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	518,940	502,935	732,851	462,458	434,483	451,441	440,436	432,652	389,062	408,936
Pupil Transportation	367,293	424,222	404,567	351,772	464,852	401,503	386,683	447,751	396,761	377,577
Internal Service Funds	-	-	53,417	55,178	59,848	62,524	54,317	58,082	53,707	66,271
Unallocated Benefits	1,767,278	1,166,925	2,754,181	3,235,995	2,690,050	2,083,824	1,857,793	1,322,969	1,352,123	1,218,959
On Behalf TPAP Pension and Social Security Contributions	1,137,758	990,899	-	-	-	-	-	-	-	-
Transfer to Charter School	121,171	34,082	12,196	24,322	49,390	40,533	8,981	-	-	-
Interest on Long-Term Debt	41,714	50,152	32,241	35,432	35,474	40,619	43,305	44,075	53,833	63,811
Unallocated Depreciation	190,131	174,743	5,243	5,152	5,152	5,683	5,683	5,591	5,784	5,895
State Debt Service Assessment	-	-	17,839	17,839	17,839	17,839	17,839	17,839	17,838	12,848
Amortization of Debt Issuance Costs	-	-	-	-	-	-	-	-	13,148	13,148
Total Governmental Activities Expenses	7,818,417	7,196,241	7,941,916	7,969,444	7,582,900	6,860,293	6,469,370	5,932,176	5,986,684	5,607,001
Business-Type Activities:										
Food Service	141,304	127,053	178,545	197,747	210,173	176,287	175,216	155,199	174,081	175,702
Total Business-Type Activities Expense	141,304	127,053	178,545	197,747	210,173	176,287	175,216	155,199	174,081	175,702
Total District Expenses	\$ 7,959,721	\$ 7,323,294	\$ 8,120,461	\$ 8,167,191	\$ 7,793,073	\$ 7,036,580	\$ 6,644,586	\$ 6,087,375	\$ 6,160,765	\$ 5,782,703
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Internal Service Fund	-	-	61,287	70,446	58,572	59,743	60,938	62,157	63,401	64,669
Operating Grants & Contributions	2,440,685	1,583,892	287,116	358,483	431,471	400,362	984,358	1,181,197	1,679,133	2,325,074
Total Governmental Activities Program Revenues	2,440,685	1,583,892	348,403	428,929	490,043	460,105	1,045,296	1,243,354	1,742,534	2,389,743
Business-Type Activities:										
Charges for Services:										
Food Service	339	30,716	66,098	64,804	65,939	66,393	59,375	53,070	53,759	60,534
Operating Grants & Contributions	155,592	109,872	123,234	133,097	137,002	132,319	121,990	112,243	121,361	117,234
Total Business Type Activities Program Revenues	155,931	140,588	189,332	197,901	202,941	198,712	181,365	165,313	175,120	177,768
Total District Program Revenues	\$ 2,596,616	\$ 1,724,480	\$ 537,735	\$ 626,830	\$ 692,984	\$ 658,817	\$ 1,226,661	\$ 1,408,667	\$ 1,917,654	\$ 2,567,511

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net/(Expense)/Revenue:										
Governmental Activities	\$ (5,377,732)	\$ (5,612,349)	\$ (6,087,423)	\$ (5,579,701)	\$ (5,840,366)	\$ (5,616,939)	\$ (5,424,074)	\$ (5,472,071)	\$ (5,496,641)	\$ (5,178,072)
Business-Type Activities	14,627	13,535	10,787	154	(7,232)	22,425	6,149	10,114	1,039	2,066
<b>Total District-Wide Net Expense</b>	<b>\$ (5,363,105)</b>	<b>\$ (5,598,814)</b>	<b>\$ (6,076,636)</b>	<b>\$ (5,579,547)</b>	<b>\$ (5,847,598)</b>	<b>\$ (5,594,514)</b>	<b>\$ (5,417,925)</b>	<b>\$ (5,461,957)</b>	<b>\$ (5,495,602)</b>	<b>\$ (5,176,006)</b>
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,888,365	\$ 2,827,303	\$ 2,771,866	\$ 2,667,712	\$ 2,565,108	\$ 2,498,534	\$ 2,449,544	\$ 2,381,276	\$ 2,293,870	\$ 2,248,892
Taxes Levied for Debt Service	130,343	134,020	127,520	135,681	135,681	140,807	147,981	109,681	241,042	257,629
Unrestricted Grants & Contributions	2,588,538	2,672,401	3,078,283	2,919,684	2,835,613	2,846,480	2,771,110	2,837,615	2,911,572	3,155,519
Tuition Received	-	7,474	66,206	43,816	60,757	48,583	92,499	57,686	-	-
Investment Earnings	557	12,206	28,766	12,825	4,439	1,526	215	368	801	442
Miscellaneous Income	12,963	4,603	12,357	3,483	3,749	2,431	8,189	19,985	10,929	7,808
Adjustment to Capital assets	(125,223)	-	(3,468)	-	(261)	-	(365,302)	(176)	-	-
Prior Year Adjustments	59,816	-	-	-	-	-	8,000	-	-	10,000
Transfers	-	-	-	-	-	-	-	-	-	-
Net Proceeds of Bond Sale	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>5,555,359</b>	<b>5,658,007</b>	<b>6,081,530</b>	<b>5,783,201</b>	<b>5,605,086</b>	<b>5,538,361</b>	<b>5,112,236</b>	<b>5,405,835</b>	<b>5,458,214</b>	<b>5,680,290</b>
Business-Type Activities:										
Adjustment to Capital Assets	(6,681)	-	-	-	1,717	-	(8,000)	-	-	(10,000)
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>(6,681)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,717</b>	<b>-</b>	<b>(8,000)</b>	<b>-</b>	<b>-</b>	<b>(10,000)</b>
<b>Total District-Wide</b>	<b>\$ 5,548,678</b>	<b>\$ 5,658,007</b>	<b>\$ 6,081,530</b>	<b>\$ 5,783,201</b>	<b>\$ 5,606,803</b>	<b>\$ 5,538,361</b>	<b>\$ 5,104,236</b>	<b>\$ 5,405,835</b>	<b>\$ 5,458,214</b>	<b>\$ 5,670,290</b>
Change in Net Position:										
Governmental Activities	\$ 177,627	\$ 45,658	\$ (5,893)	\$ 203,500	\$ (235,280)	\$ (78,578)	\$ (311,838)	\$ (66,236)	\$ (38,427)	\$ 502,218
Business-Type Activities	7,946	13,535	10,787	154	(5,515)	22,425	(1,851)	10,114	1,039	(7,934)
<b>Total District</b>	<b>\$ 185,573</b>	<b>\$ 59,193</b>	<b>\$ 4,894</b>	<b>\$ 203,654</b>	<b>\$ (240,795)</b>	<b>\$ (56,153)</b>	<b>\$ (313,689)</b>	<b>\$ (56,122)</b>	<b>\$ (37,388)</b>	<b>\$ 494,284</b>

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

	FISCAL YEAR ENDING JUNE 30, 2013										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
General Fund:											
Restricted	\$ 1,093,484	\$ 806,784	\$ 837,737	\$ 761,304	\$ 472,959	\$ 551,315	\$ 550,272	\$ 420,802	\$ 414,944	\$ 595,999	
Assigned	12,687	19,700	-	-	-	-	-	-	-	-	
Committed	-	-	26,077	32,309	47,366	33,925	27,266	53,080	37,569	63,393	
Unassigned	26,769	21,923	-	-	-	-	-	-	-	-	
<b>Total General Fund</b>	<b>\$ 1,132,940</b>	<b>\$ 848,407</b>	<b>\$ 863,814</b>	<b>\$ 793,613</b>	<b>\$ 520,325</b>	<b>\$ 585,240</b>	<b>\$ 577,538</b>	<b>\$ 473,882</b>	<b>\$ 452,513</b>	<b>\$ 659,392</b>	
All Other Governmental Funds:											
Unassigned, Reported in:											
Special Revenue Fund	16,537	(6,843)	(20,306)	(12,145)	(8,573)	(7,858)	(7,858)	(5,569)	(5,569)	(10,248)	
Capital Projects Fund	-	-	-	-	-	-	-	15,657	15,657	156,907	
Debt Service Fund	3	2	-	-	2	1	1	1	1	12,461	
<b>Total All Other Governmental Funds</b>	<b>\$ 16,540</b>	<b>\$ (6,841)</b>	<b>\$ (20,306)</b>	<b>\$ (12,145)</b>	<b>\$ (8,571)</b>	<b>\$ (7,857)</b>	<b>\$ (7,857)</b>	<b>\$ 10,089</b>	<b>\$ 10,089</b>	<b>\$ 159,120</b>	



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Taxes Local	\$ 3,018,708	\$ 2,961,323	\$ 2,899,386	\$ 2,803,393	\$ 2,700,789	\$ 2,639,341	\$ 2,597,525	\$ 2,490,957	\$ 2,534,912	\$ 2,506,521
Tuition Charges	-	7,474	66,206	43,816	60,757	48,583	92,499	57,686		
Interest earnings	557	12,206	28,766	12,825	4,439	1,526	215	368	801	442
Miscellaneous	19,212	7,756	12,357	3,483	3,749	2,431	8,189	19,985	10,929	7,808
State Sources	3,792,969	3,724,017	3,692,871	3,447,511	3,229,755	3,115,971	3,013,866	2,984,104	3,094,358	3,147,400
Federal Sources	288,417	214,910	234,922	233,267	244,143	259,449	222,220	253,273	248,684	366,603
<b>Total Revenue</b>	<b>7,119,863</b>	<b>6,927,686</b>	<b>6,934,508</b>	<b>6,544,295</b>	<b>6,243,632</b>	<b>6,067,301</b>	<b>5,934,514</b>	<b>5,806,373</b>	<b>5,889,684</b>	<b>6,028,774</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,022,862	1,947,832	1,544,726	1,628,661	1,517,355	1,481,516	1,586,332	1,433,118	1,571,749	1,506,149
Special Education Instruction	294,473	460,017	847,142	641,411	631,499	684,907	675,908	629,610	519,706	555,519
Other Special Instruction	-	-	98,854	42,188	23,193	23,234	743	640	38,000	42,696
Other Instructional	24,828	24,369	12,205	15,531	10,741	2,132	2,602	2,819	8,096	2,089
School Sponsored	4,464	16,408	-	-	-	-	-	-	-	-
Support Services:										
Tuition	278,265	157,923	97,239	158,492	373,532	343,912	250,281	554,228	545,736	411,178
Student & Instruction										
Related Services	565,613	711,308	703,648	676,533	669,372	629,193	558,810	436,882	416,865	317,629
School Administrative										
Services	63,796	71,681	68,831	80,344	72,854	74,431	71,419	68,637	61,103	80,396
General & Business										
Administration Services	419,831	462,745	262,502	250,082	246,817	251,443	238,355	215,297	259,478	236,894
Plant Operations &										
Maintenance	518,940	502,935	708,387	438,414	410,439	424,920	413,915	406,559	362,068	381,427
Central Services			161,430	157,532	149,947	121,590	125,914	120,340	137,671	137,671
Pupil Transportation	367,293	424,222	392,335	339,750	452,830	388,243	373,423	434,705	383,264	363,822
Unallocated Benefits	954,509	921,697	1,785,133	1,639,747	1,509,795	1,415,509	1,320,389	1,342,163	1,346,740	1,217,156
On Behalf TPAF Pension and Social										
Security Contributions	1,069,646	892,264	-	-	-	-	-	-	-	-

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenditures (continued):										
Charter Schools	121,171	34,082	12,196	24,322	49,390	40,533	8,981	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	150,288	255,320	53,749	52,244	50,801	59,883	48,095	78,140	409,822
Debt service:										
Principal	153,434	105,000	95,000	100,000	100,000	100,000	105,000	65,000	325,000	330,000
Interest & Other Charges	43,183	46,858	32,519	35,682	35,682	40,806	42,981	44,681	54,656	64,634
Total Expenditures	6,902,308	6,929,629	7,077,467	6,282,438	6,305,690	6,073,170	5,834,936	5,802,774	6,107,760	6,057,082
Excess (Deficiency) of Revenues Over/(Under) Expenditures	217,555	(1,943)	(142,959)	261,857	(62,058)	(5,869)	99,578	3,599	(218,076)	(28,308)
Other Financing Sources/(Uses):										
Prior Year Adjustment	59,816	-	-	-	-	-	-	(176)	-	-
Capital Leases	-	-	200,000	-	-	-	-	-	-	-
(Nonbudgeted)	-	-	-	-	-	-	-	-	-	-
Excess Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	5,000	5,000	-	5,000	11,935	15,481	-	27,000
Transfers Out	-	-	-	-	-	-	-	(15,481)	-	-
Total Other Financing Sources/ (Uses)	59,816	-	205,000	5,000	-	5,000	11,935	(176)	-	27,000
Net Change in Fund Balances	\$ 277,371	\$ (1,943)	\$ 62,041	\$ 266,857	\$ (62,058)	\$ (869)	\$ 111,513	\$ 3,423	\$ (218,076)	\$ (1,308)
Debt Service as a Percentage of Noncapital Expenditures	2.85%	2.24%	1.87%	2.18%	2.17%	2.34%	2.56%	1.91%	6.30%	6.99%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST ON INVESTMENTS	TRANSPORTATION	MISCELLANEOUS	TOTAL
2021	\$ -	\$ 557	\$ -	\$ 12,963	\$ 13,520
2020	7,474	12,206	-	4,603	24,283
2019	66,206	28,766	-	8,517	103,489
2018	43,816	12,825	-	605	57,246
2017	60,757	4,439	-	3,749	68,945
2016	48,583	1,526	-	546	50,655
2015	92,499	215	-	4,168	96,882
2014	57,686	368	-	19,985	78,039
2013	-	801	-	6,683	7,484
2012	-	442	-	4,672	5,114

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	NET ASSESSED VALUATIONS	ESTIMATED FULL CASH VALUATIONS	PERCENTAGE OF NET ASSESSED TO ESTIMATED FULL CASH VALUATIONS
2021	\$ 191,535,692	\$ 198,734,535	96.38%
2020	192,642,347	202,408,689	95.17%
2019	191,346,851	196,352,482	97.45%
2018	191,057,852	196,742,935	97.11%
2017	189,991,364	199,312,993	95.32%
2016	189,208,919	197,598,153	95.75%
2015	189,201,358	203,791,220	92.84%
2014	187,959,971	209,337,794	89.79%
2013	189,386,599	216,339,370	87.54%
2012	187,619,461	224,370,817	83.62%

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT & OVERLAPPING TAX RATE
	BASIC RATE (A)	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	CUMBERLAND REGIONAL SCHOOL DIST.	DEERFIELD TOWNSHIP	CUMBERLAND COUNTY	
2021	N/A	N/A	1.602	0.751	0.090	1.317	3.760
2020	N/A	N/A	1.578	0.745	0.090	1.245	3.658
2019	N/A	N/A	1.516	0.589	0.090	1.202	3.397
2018	N/A	N/A	1.468	0.593	0.090	1.194	3.345
2017	N/A	N/A	1.422	0.618	0.090	1.176	3.306
2016	N/A	N/A	1.395	0.558	0.090	1.154	3.187
2015	N/A	N/A	1.373	0.517	0.080	1.122	3.093
2014	N/A	N/A	1.326	0.487	0.081	1.098	2.992
2013	N/A	N/A	1.339	0.472	0.071	1.089	2.971
2012	N/A	N/A	1.336	0.542	0.050	1.147	3.075
2011	N/A	N/A	1.342	0.529	0.011	1.098	2.980

Source: Abstract of Ratables, County Board of Taxation

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

TAX PAYER	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
	Not Available		Not Available	
<b>TOTAL</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>

SOURCE: MUNICIPAL TAX ASSESSOR

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	\$ 3,018,708	\$ 3,018,708	100.00%	-
2020	2,961,323	2,961,323	100.00%	-
2019	2,899,386	2,899,386	100.00%	-
2018	2,667,712	2,667,712	100.00%	-
2017	2,700,789	2,700,789	100.00%	-
2016	2,639,341	2,639,341	100.00%	-
2015	2,597,525	2,597,525	100.00%	-
2014	2,490,957	2,490,957	100.00%	-
2013	2,293,870	2,293,870	100.00%	-
2012	2,506,521	2,506,521	100.00%	-

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

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)	CAPITAL LEASES				
2021	\$ 585,000	\$ -	\$ 101,566	\$ 686,566	N/A	N/A	
2020	690,000	-	150,000	840,000	N/A	N/A	
2019	795,000	-	200,000	995,000	N/A	327	
2018	890,000	-	37,481	927,481	0.780%	303	
2017	990,000	-	73,391	1,063,391	0.923%	345	
2016	1,090,000	-	107,795	1,197,795	1.066%	387	
2015	1,190,000	-	140,757	1,330,757	1.201%	426	
2014	1,295,000	-	172,337	1,467,337	1.308%	469	
2013	1,360,000	-	202,593	1,562,593	1.410%	500	
2012	1,685,000	-	262,895	1,947,895	1.760%	623	

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



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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 585,000	\$ -	\$ 585,000	0.29%	N/A
2020	690,000	-	690,000	0.34%	N/A
2019	795,000	-	795,000	0.40%	N/A
2018	890,000	-	890,000	0.47%	23
2017	990,000	-	990,000	0.52%	26
2016	1,090,000	-	1,090,000	0.58%	30
2015	1,190,000	-	1,190,000	0.63%	34
2014	1,295,000	-	1,295,000	0.69%	36
2013	1,360,000	-	1,360,000	0.72%	38
2012	1,685,000	-	1,685,000	0.90%	48

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
<b>Debt Repaid With Property Taxes:</b>			
Deerfield Township	\$ 366,451	100.00%	\$ 366,451
County of Cumberland- Township's Share	94,714,745	2.23%	2,107,403
<b>Other Debt:</b>			
County of Cumberland			
Cumberland Regional School District-Township's Share	690,000	100.000%	<u>690,000</u>
Subtotal, Overlapping Debt			3,163,854
Deerfield Township School District Direct Debt			<u>585,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 3,748,854</u></u>

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

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 7,069,021	\$ 6,960,083	\$ 5,878,804	5,840,586	5,845,428	5,910,335	6,042,946	6,217,112	6,410,732	6,566,474
Total Net Debt Applicable to Limit	585,000	840,000	995,000	927,481	1,063,391	1,197,795	1,330,757	1,467,337	1,562,593	1,947,895
Legal Debt Margin	\$ 6,484,021	\$ 6,120,083	\$ 4,883,804	\$ 4,913,105	\$ 4,782,037	\$ 4,712,540	\$ 4,712,189	\$ 4,749,775	\$ 4,848,139	\$ 4,618,579
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.28%	12.07%	16.93%	15.88%	18.19%	20.27%	22.02%	23.60%	24.37%	29.66%

**Legal Debt Margin Calculation for Fiscal Year 2020**

	Equalized Valuation Basis	Total
Average Equalized Valuation of Taxable Property		2020 \$ 203,922,655
		2019 202,408,689
		2018 199,584,738
		<u>\$ 605,916,082</u>
		<u>\$ 201,972,027</u>
Debt Limit (3.5 % of Average Equalization Value)	\$ 7,069,021	
Net Bonded School Debt	585,000	
Legal Debt Margin	\$ 6,484,021	

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

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2021	2,994	N/A	N/A
2020	3,011	N/A	8.2%
2019	3,033	40,289	4.8%
2018	3,033	38,893	4.9%
2017	3,073	37,363	6.2%
2016	3,102	36,253	7.7%
2015	3,125	35,468	9.5%
2014	3,135	35,825	8.3%
2013	3,122	35,468	12.8%
2012	3,137	35,413	11.4%

**Source:**

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

b Personal income

c Per Capita

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

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

2021		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

NOT AVAILABLE


2012		
------	--	--

NOT AVAILABLE

Source: Comprehensive Annual Financial Reports of Individual School Districts

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	24.0	23.4	24.2	24.0	23.0	23.0	24.0	22.2	24.0	24.0
Special Education	6.0	6.8	7.1	7.1	5.5	5.5	5.5	5.5	6.5	6.0
Support Services:										
Student & Instruction Related Services	2.5	2.8	4.1	4.5	5.3	4.5	3.5	2.5	3.0	3.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations & Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Business & Other Support Services	1.6	1.6	1.6	1.6	1.0	1.0	1.0	1.0	1.5	1.5
<b>Total</b>	<b>39.1</b>	<b>39.6</b>	<b>42.0</b>	<b>42.2</b>	<b>39.8</b>	<b>39.0</b>	<b>39.0</b>	<b>36.2</b>	<b>40.0</b>	<b>39.5</b>

**Source:** District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (d)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	272	6,140,238	22,574	-2.88%	32.0	8:1	269.4	250.5	1.58%	92.98%
2020	268	6,229,449	23,244	3.47%	30.2	9:1	265.2	257.9	-12.24%	97.25%
2019	298	6,694,628	22,465	23.5%	31.3	10:1	302.2	288.2	-8.34%	95.37%
2018	335	6,093,007	18,188	-4.57%	31.1	11:1	329.7	312.9	2.49%	94.90%
2017	321	6,117,764	19,058	6.80%	28.5	11:1	321.7	305.6	-1.68%	95.00%
2016	327	5,841,815	17,845	5.92%	28.5	12:1	327.2	314.6	-1.96%	96.15%
2015	334	5,672,072	16,848	-1.21%	29.5	11:1	336.9	320.9	0.12%	95.25%
2014	331	5,644,998	17,055	4.75%	27.7	12:1	336.5	316.7	2.93%	94.12%
2013	347	5,649,964	16,282	11.59%	30.2	11.5:1	326.9	314.3	-8.45%	96.15%
2012	360	5,252,626	14,591	9.60%	30.0	12:1	357.1	340.4	-4.31%	95.32%

**Sources:** District records

(a) Operating expenditures equal total expenditures less debt service and capital outlay

(b) Teaching staff includes only full-time equivalents of certificated staff

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

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

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary: Deerfield Elementary Schhol	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936
Square Feet										
Capacity (Students)	272	268	298	335	321	Unavailable	334	331	347	360
Enrollment										

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

The capacity was unavailable for 2012-2021

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



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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

Fiscal Year Ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Deerfield Township School	142,216	130,979	351,139	121,503	104,385	95,177	84,976	93,451	30,614	41,090
Total School Facilities	\$ 142,216	\$ 130,979	\$ 351,139	\$ 121,503	\$ 104,385	\$ 95,177	\$ 84,976	\$ 93,451	\$ 30,614	\$ 41,090

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

Source: District records

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2021**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy - NJ School Insurance Group ERIC South Sub Fund</b>		
Commercial Property Coverage	\$ 16,579,052	\$ 5,000
Blanket Extra	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition and Increased Cost of Construction	25,000,000	5,000
Limited Builders Risk	10,000,000	5,000
Fire Department Service Charge	10,000	5,000
Arson Reward	10,000	5,000
Pollutant Cleanup	250,000	5,000
Accounts Receivable	250,000	5,000
Flood	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	5,000
Boiler & Machinery Equipment	1,000,000/10,000,000	25,000
General Liability	6,000,000	1,000
Automobile	6,000,000	
Workmen's Compensation	3,000,000	
School Leaders E&O Liability- A	6,000,000	10,000
School Leaders E&O Liability- B	300,000	10,000
Commerical Crime	100,000	1,000
Electronic Data Processing	250,000	1,000
	10,000	
Pollution- Ironshore Speciality Insurance Company	1,000,000	50,000
Cyberliability Response- Beazley Insurance Company, Inc	2,000,000	25,000
Student Accident-Basic- Berkley Life & Health Insurance Company	1,000,000	
Catastrophic Student Accident Policy	5,000,000	25,000
Public Employees' Faithful Performance Bonds		
NJ School Board Association Insurance Group		
Surety Bond- Treasurer- Janet Coleman	185,000	
Surety Bond- Board Secretary/ Business Administrator- Melanie Allen	35,000	

Source: District Records

**SINGLE AUDIT SECTION**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Deerfield Township School District (the “School District”) as of and for the year ended June 30, 2021, 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 March 15, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to be a significant deficiency, described in the accompanying comments and recommendation section as Finding No. 2021-001.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as Finding No. 2021-001.

## **Deerfield Township School District's Response to Findings**

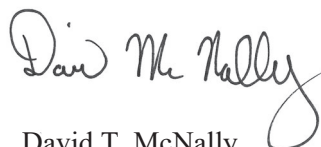
The Deerfield Township School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly,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

## **Purpose of this Report**

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

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**



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

Medford, New Jersey  
March 15, 2022



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

**Report on Compliance for Each Major State Program**

We have audited the Deerfield Township School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2021. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### **Opinion on Each Major State Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance as Finding No's. 2021-001, 2021-002 and 2021-003. Our opinion on each major state program is not modified with respect to these matters.

### **Deerfield Township School District's Response to Findings**

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

### **Report on Internal Control Over Compliance**

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

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



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency, described in the accompanying comments and recommendation section as Finding No. 2021-001.

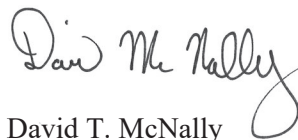
The Deerfield Township School District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance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

### **Purpose of this Report**

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

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**



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

Medford, New Jersey  
March 15, 2022

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DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECEIPT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2021	UNEARNED REVENUE AT JUNE 30, 2021	DUE TO GRANTOR AT JUNE 30, 2021
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH</b>													
<b>STATE DEPARTMENT OF EDUCATION:</b>													
Enterprise Fund:													
Child Nutrition Cluster:													
Noncash Assistance:													
Food Distribution Program													
211NJ304N1099	10.555	211NJ304N1099	Unavailable	\$ 11,619	7/1/20-6/30/21	\$ -	\$ 11,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Assistance:													
COVID-19 National School Breakfast Program	10.553	211NJ304N1099	100-010-3350-028	53,727	7/1/20-6/30/21	-	48,744	(53,727)	-	-	(4,983)	-	-
COVID-19 National School Breakfast Program	10.553	201NJ304N1099	100-010-3350-028	8,776	3/13/20-6/30/20	(2,607)	2,607	(53,727)	-	-	(4,983)	-	-
COVID-19 National School Lunch Program													
COVID-19 National School Lunch Program	10.555	211NJ304N1099	100-010-3350-028	85,583	7/1/20-6/30/21	-	77,645	(85,583)	-	-	(7,938)	-	-
COVID-19 National School Lunch Program	10.555	201NJ304N1099	100-010-3350-028	13,962	3/13/20-6/30/20	(4,147)	4,147	(85,583)	-	-	(7,938)	-	-
Total Child Nutrition Cluster													
Total Enterprise Fund													
<b>U.S. DEPARTMENT OF THE TREASURY PASSED-THROUGH</b>													
<b>STATE DEPARTMENT OF EDUCATION:</b>													
COVID-19 Relief Funds													
21.019		S377A130031	100-034-5120-495	24,860	3/31/20-6/30/21	-	24,860	(21,998)	-	-	-	2,862	-
Subtotal													
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICE PASSED-THROUGH</b>													
<b>STATE DEPARTMENT OF EDUCATION:</b>													
COVID-19 ESSER II													
84-425D		S425D200027	100-034-5120-513	321,771	3/13/2020-9/30/2022	(180)	38,304	(74,600)	-	-	(36,476)	-	-
Subtotal													
<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH</b>													
<b>STATE DEPARTMENT OF EDUCATION:</b>													
Special Revenue:													
84.010		S010A200030	100-034-5064-194	91,176	7/1/20-9/30/21	-	4,304	(89,777)	-	-	(85,473)	-	-
84.010		S010A190030	100-034-5064-194	104,710	7/1/19-9/30/20	(57,595)	57,595	(89,777)	-	-	(85,473)	-	-
Subtotal													
84.010A		S010A190030	100-034-5064-194	6,701	7/1/19-9/30/20	(2,504)	2,504	-	-	-	-	-	-
Subtotal													
84.367A		S367A200029	100-034-5063-290	11,858	7/1/20-9/30/21	-	-	(3,767)	-	-	(3,767)	-	-
84.367A		S367A190029	100-034-5063-290	18,702	7/1/19-9/30/20	(17,069)	17,069	(3,767)	-	-	(3,767)	-	-
Subtotal													
84.424A		S424A200031	100-034-5063-348	10,000	7/1/20-9/30/21	-	-	(10,000)	-	-	(10,000)	-	-
84.424A		S424A190031	100-034-5063-348	10,000	7/1/19-9/30/20	(1,932)	1,932	(10,000)	-	-	(10,000)	-	-
Subtotal													
Special Education Cluster:													
84.027A		H027A200100	100-034-5065-016	85,227	7/1/20-9/30/21	-	-	(85,227)	-	-	(85,227)	-	-
84.027A		H027A190100	100-034-5065-016	86,159	7/1/19-9/30/20	(35,226)	35,226	(85,227)	-	-	(85,227)	-	-
Subtotal													
84.173		H173A200114	100-034-5065-020	2,368	7/1/20-9/30/21	-	-	(2,368)	-	-	(2,368)	-	-
Total Special Education Cluster													
Total Federal Financial Assistance													
REAP													
84.358A		S358S180030	Unavailable	20,718	07/01/18-09/30/19	1,059	-	(88,095)	-	-	-	1,059	-
Subtotal													
Total Special Revenue Fund													
Total Federal Financial Assistance													

DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2021	BUDGETARY RECEIVABLE	MEMO	
											CUMULATIVE TOTAL EXPENDITURES	BUDGETARY RECEIVABLE
<b>State Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 2,234,818	7/1/20-6/30/21	\$ -	\$ 2,234,818	\$ (2,234,818)	\$ -	\$ -	\$ -	\$ 200,847	\$ 2,234,818	
Special Education Categorical Aid	495-034-5120-089	194,666	7/1/20-6/30/21	-	194,666	(194,666)	-	-	-	17,495	194,666	
Security Aid	495-034-5120-084	45,634	7/1/20-6/30/21	-	45,634	(45,634)	-	-	-	4,101	45,634	
<b>Total State Aid Public</b>					<b>2,475,118</b>	<b>(2,475,118)</b>				<b>222,443</b>	<b>2,475,118</b>	
Transportation Aid	495-034-5120-014	95,887	7/1/20-6/30/21	-	95,887	(95,887)	-	-	-	8,618	95,887	
Extraordinary Aid	495-034-5120-044	12,687	7/1/19-6/30/20	(12,687)	12,687	-	-	-	-	-	-	
Additional Non-Public School Transportation Aid	495-034-5120-014	7,830	7/1/20-6/30/21	-	-	(7,830)	-	-	(7,830)	-	7,830	
Reimbursed TPAF Social Security Contribution	495-034-5094-003	168,603	7/1/20-6/30/21	-	160,518	(168,603)	-	-	(8,085)	-	168,603	
Reimbursed TPAF Social Security Contribution Noncash Assistance:	495-034-5094-003	167,288	7/1/19-6/30/20	(8,238)	8,238	-	-	-	-	-	-	
TPAF - Pension Contribution	495-034-5094-002	685,739	7/1/20-6/30/21	-	685,739	(685,739)	-	-	-	-	685,739	
TPAF - Post Retirement Medical Contribution	495-034-5094-001	214,900	7/1/20-6/30/21	-	214,900	(214,900)	-	-	-	-	214,900	
TPAF - Long-Term Disability Insurance	495-034-5094-003	404	7/1/20-6/30/21	-	404	(404)	-	-	-	-	404	
<b>Total General Fund Assistance</b>				<b>(20,925)</b>	<b>3,653,491</b>	<b>(3,648,481)</b>			<b>(15,915)</b>	<b>231,061</b>	<b>3,648,481</b>	
Special Revenue Fund:												
Preschool Education Aid	495-034-5120-086	149,640	7/1/20-6/30/21	(6,843)	149,001	(142,158)	-	-	-	14,216	142,158	
<b>Total Special Revenue</b>				<b>(6,843)</b>	<b>149,001</b>	<b>(142,158)</b>				<b>14,216</b>	<b>142,158</b>	
<b>State Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	4,663	7/1/20-6/30/21	-	3,631	(4,663)	-	-	(1,032)	-	4,663	
National School Lunch Program	100-010-3350-023	1,927	7/1/19-6/30/20	(65)	65	-	-	-	-	-	-	
<b>Total Enterprise Fund Assistance</b>				<b>(65)</b>	<b>3,696</b>	<b>(4,663)</b>			<b>(1,032)</b>		<b>4,663</b>	
<b>Total State Financial Assistance</b>				<b>\$ (27,833)</b>	<b>\$ 3,806,188</b>	<b>\$ (3,795,302)</b>			<b>\$ (16,947)</b>	<b>\$ 245,277</b>	<b>\$ 3,795,302</b>	
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
TPAF- Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	685,739	7/1/20-6/30/21			685,739					685,739	
TPAF- Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	214,900	7/1/20-6/30/21			214,900					214,900	
TPAF- Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-003	404	7/1/20-6/30/21			404					404	
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>						<b>\$ (2,894,259)</b>						

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**Note 3. Relationship to Basic Financial Statements**

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,703 for the general fund and \$(7,193) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 3,658,184	\$ 3,658,184
Special Revenue Fund	288,417	134,785	423,202
Food Service Fund	<u>150,929</u>	<u>4,663</u>	<u>155,592</u>
Total Awards & Financial Assistance	<u>\$ 439,346</u>	<u>\$ 3,797,632</u>	<u>\$ 4,236,978</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Deerfield Township School District had no loan balances outstanding at June 30, 2021.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted?   X   yes \_\_\_\_\_ no

**Federal Awards**

**SECTION IS N/A- NOT REQUIRED**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2) Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

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

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

Identification of major programs:

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

Not Applicable

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

Internal control over major programs:

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

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

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section II – Financial Statement Findings**

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

**Finding No. 2021-001:**

Criteria of Specific Requirement:

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

Condition:

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

Context:

The June 30, 2021 board secretary report was not prepared timely and therefore the treasurer's report could not be completed in a timely manner.

Cause:

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

Effect or Potential Effect:

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

Recommendation:

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

Management Response:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**FEDERAL AWARDS- N/A**

**STATE FINANCIAL ASSISTANCE**

**Finding No. 2021-001:**

Information on the State Program

State Aid Public:

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

Criteria of Specific Requirement:

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

Condition:

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

Questioned Costs:

None.

Context:

The June 30, 2021 board secretary report was not prepared timely and therefore the treasurer’s report could not be completed in a timely manner.

Effect:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Finding No. 2021-001 (continued):**

Cause:

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

Effect:

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

Recommendation:

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

Management Response:

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

**Finding No. 2021-002**

Information on the State Program

State Aid Public:

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

Criteria or Specific Requirement:

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

Condition:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Finding No. 2021-002 (continued)**

Questioned Costs:

None.

Context:

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

Effect:

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

Cause:

Unknown

Recommendation:

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

View of Responsible Officials:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Finding No. 2021-003**

Information on the State Program:

State Aid Public:

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

Criteria or Specific Requirement:

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

Condition:

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

Questioned Costs:

None.

Context:

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

Effect:

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

Cause

Unknown

Recommendation:

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

View of Responsible Officials:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings

**Finding No. 2020-001**

**Condition:**

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

**Current Status:**

The condition has not been corrected. See Finding No. 2021-001.

Federal Awards- N/A

State Financial Assistance

**Finding No. 2020-002**

**Condition:**

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

**Current Status:**

The condition has not been corrected. See Finding No. 2021-002.

**Finding No. 2020-003**

**Condition:**

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

**Current Status:**

The condition has not been corrected. See Finding No. 2021-003.