

DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSENHAYN, NEW JERSEY
COUNTY OF CUMBERLAND

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSENHAYN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by

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

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INTRODUCTORY SECTION

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Deerfield Township School District
PO BOX 375
ROSENHAYN NJ 08352

Dina Rossi
Chief School Administrator

Joseph Giambri
Business Administrator/ Board Secretary

March 6, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Deerfield Township School District for the fiscal year ended June 30, 2022, 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, 2022, 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 Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

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

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

Average Daily Enrollment		
	Student	Percent
<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Change</u>
2021-2022	291	6.99%
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%

ECONOMIC CONDITION AND OUTLOOK

Deerfield Township is not experiencing any measurable growth in development or expansion. However, the district has seen a growth in student population over the last few years.

MAJOR INITIATIVES

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

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

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

INTERNAL ACCOUNTING CONTROLS

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

INTERNAL ACCOUNTING CONTROLS (continued)

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

BUDGETARY CONTROLS

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

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

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

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

OTHER INFORMATION

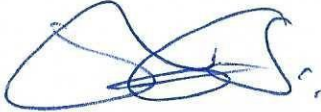
INDEPENDENT AUDIT

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

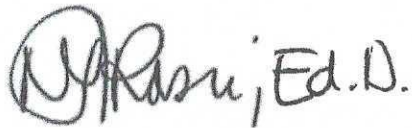
ACKNOWLEDGEMENTS

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

Respectfully submitted,



Board Secretary/Business Administrator



Chief School Administrator

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

BOARD OF EDUCATION

**CHIEF SCHOOL
ADMINISTRATOR**

**BUSINESS
ADMINISTRATOR/
BOARD SECRETARY**

**ASSISTANT
PRINCIPAL**

FINANCE

**CHILD STUDY
TEAM**

**BUILDING AND
GROUNDS**

TEACHERS

TECHNOLOGY

SUPPORT STAFF

FOOD SERVICE

TRANSPORTATION

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DEERFIELD TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2022

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Pepi Dragotta , President	2024
John Schwab, Vice President	2024
Jenna Harvey	2024
Cindy Streater	2022
Jason Scythes	2022
Adam Vera	2022
Joan Pierce	2023

OTHER OFFICIALS

Dr. Dina Rossi, Superintendent

Henry Bermann, Business Administrator/Board Secretary

Frank Badessa, Board Treasurer

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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

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023 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.
Certified Public Accountants & Advisors

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

Medford, New Jersey
March 6, 2023

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, 2022
(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, 2022. 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, 2022
(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.

**Deerfield Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(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 2022 compared to fiscal year 2021.

**Table 1
Summary of Net Position**

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,897,274	\$ 1,344,515	\$ 552,759	41.1%
Capital Assets, Net	<u>2,731,698</u>	<u>2,923,671</u>	<u>(191,973)</u>	-6.6%
Total Assets	<u>4,628,972</u>	<u>4,268,186</u>	<u>360,786</u>	8.5%
Deferred Outflow of Resources	<u>107,330</u>	<u>128,602</u>	<u>(21,272)</u>	-16.5%
Current and Other Liabilities	505,836	134,107	371,729	277.2%
Noncurrent Liabilities	<u>1,115,100</u>	<u>1,411,179</u>	<u>(296,079)</u>	-21.0%
Total Liabilities	<u>1,620,936</u>	<u>1,545,286</u>	<u>75,650</u>	4.9%
Deferred Inflow of Resources	<u>410,547</u>	<u>416,130</u>	<u>(5,583)</u>	-1.3%
Net Position:				
Net Investment in Capital Assets	2,195,125	2,237,105	(41,980)	-1.9%
Restricted	1,139,500	1,123,106	16,394	1.5%
Unrestricted (Deficit)	<u>(629,806)</u>	<u>(924,839)</u>	<u>295,033</u>	-31.9%
Total Net Position	<u>\$ 2,704,819</u>	<u>\$ 2,435,372</u>	<u>\$ 269,447</u>	11.1%

Table 2 shows the changes in net position for fiscal year 2022 compared to fiscal year 2021.

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

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 39,556	\$ 339	\$ 39,217	11568.4%
Operating Grants & Contributions	2,065,227	2,596,277	(531,050)	-20.5%
General Revenues:				
Property Taxes	3,067,888	3,018,708	49,180	1.6%
Federal & State Aid	2,645,109	2,588,538	56,571	2.2%
Other General Revenues	46,437	73,336	(26,899)	-36.7%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	-	(131,904)	131,904	-100.0%
Total Revenues	<u>7,864,217</u>	<u>8,145,294</u>	<u>(281,077)</u>	-3.5%
Function/Program Expenditures:				
Regular Instruction	2,483,010	2,022,862	460,148	22.7%
Special Education Instruction	515,306	294,473	220,833	75.0%
Other Instruction	35,643	29,292	6,351	21.7%
Tuition	42,768	278,265	(235,497)	-84.6%
Student & Instruction Related Services	534,193	491,478	42,715	8.7%
Health Services	116,615	73,539	43,076	58.6%
Educational Media Services	891	596	295	49.5%
General Administrative	206,643	251,757	(45,114)	-17.9%
School Administrative Services	163,713	63,796	99,917	156.6%
Central Services	173,948	168,074	5,874	3.5%
Plant Operations & Maintenance	495,940	518,940	(23,000)	-4.4%
Pupil Transportation	419,909	367,293	52,616	14.3%
Unallocated Benefits	1,401,928	1,767,278	(365,350)	-20.7%
On Behalf TPAF Pension and Social Security Contributions	436,539	1,137,758	(701,219)	-61.6%
Transfer to Charter Schools	93,982	121,171	(27,189)	-22.4%
Interest & Other Charges	70,050	41,714	28,336	67.9%
Unallocated Depreciation	190,127	190,131	(4)	0.0%
Food Service	213,565	141,304	72,261	51.1%
Total Expenditures	<u>7,594,770</u>	<u>7,959,721</u>	<u>(364,951)</u>	-4.6%
Change In Net Position	269,447	185,573	83,874	45.2%
Net Position - Beginning	<u>2,435,372</u>	<u>2,249,799</u>	<u>185,573</u>	8.2%
Net Position - Ending	<u>\$ 2,704,819</u>	<u>\$ 2,435,372</u>	<u>\$ 269,447</u>	11.1%

**Deerfield Township School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)**

Governmental Activities

During the fiscal year 2022, the net position of governmental activities increased by \$197,024 or 8.42%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$2,536,273, with an unrestricted deficit balance of \$785,264. 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)	\$	(785,264)
Add back: PERS Pension Liability		483,635
Less: Deferred Outflows related to pensions		(107,330)
Add back: Deferred Inflows related to pensions		<u>410,547</u>
Unrestricted Net Position (Without GASB 68)	\$	<u><u>1,588</u></u>

Business-type Activities

During the fiscal year 2022, the net position of business-type activities increased by \$72,423.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$168,546.

General Fund Budgeting Highlights

Final budgeted revenues were \$5,439,750, unchanged from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$172,474.

Final budgeted appropriations were \$5,759,364, which was an increase of \$1,134 from the original budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$269,457.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$1,550,787 at June 30, 2022, an increase of \$186,786 from the prior year.

**Deerfield Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(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 \$1,287,586, an increase of \$138,106 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$179,717 to \$1,312,657 at June 30, 2022. 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:

- Additional State Aid received in the amount of \$104,829
- Internal Service fund contribution in the amount of \$31,946.
- Cancellation of prior year accounts payable in the amount of \$32,523.

Special revenue fund – During the current fiscal year, the fund balance of the School District's Special Revenue fund decreased by \$41,611 to (\$25,074) at June 30, 2022.

Debt service fund – During the current fiscal year, the fund balance of the School District's Debt Service fund remained unchanged at \$3 at June 30, 2022.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$72,423 to \$168,546 at June 30, 2022.

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>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 15,698	\$ 15,698	\$ -	0.0%
Building and Improvements	2,592,985	2,726,376	(133,391)	-4.9%
Equipment	123,015	181,597	(58,582)	-32.3%
	<u>\$ 2,731,698</u>	<u>\$ 2,923,671</u>	<u>\$ (191,973)</u>	<u>-6.6%</u>

Depreciation expense for the year was \$191,973. 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, 2022
(Unaudited) (Continued)**

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$485,000 which is an decrease of \$100,000 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, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 367,009	\$ 103,551	\$ 470,560
Receivables, Net (Note 4)	1,101,287	20,265	1,121,552
Internal Balances	(28,556)	28,556	-
Inventory	-	3,086	3,086
Restricted Cash & Cash Equivalents	302,076	-	302,076
Capital Assets, Non-Depreciable (Note 5)	15,698	-	15,698
Capital Assets, Depreciable, Net (Note 5)	2,702,912	13,088	2,716,000
Total Assets	4,460,426	168,546	4,628,972
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	107,330	-	107,330
Total Deferred Outflow of Resources	107,330	-	107,330
Total Assets and Deferred Outflow of Resources	4,567,756	168,546	4,736,302
LIABILITIES:			
Accounts Payable	12,078	-	12,078
Payroll Payable	93,624	-	93,624
Due to Other Governments	48,701	-	48,701
Unearned Revenue	348,528	-	348,528
Accrued Interest	2,905	-	2,905
Noncurrent Liabilities (Note 7):			
Due Within One Year	151,573	-	151,573
Due Beyond One Year	963,527	-	963,527
Total Liabilities	1,620,936	-	1,620,936
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	410,547	-	410,547
Total Deferred Inflows of Resources	410,547	-	410,547
Total Liabilities and Deferred Inflows of Resources	2,031,483	-	2,031,483
NET POSITION:			
Net Investment in Capital Assets	2,182,037	13,088	2,195,125
Restricted For:			
Capital Projects	90,411	-	90,411
Maintenance Reserve	211,665	-	211,665
Debt Service	3	-	3
Student Activities	31,725	-	31,725
Excess Surplus	805,696	-	805,696
Unrestricted	(785,264)	155,458	(629,806)
Total Net Position	\$ 2,536,273	\$ 168,546	\$ 2,704,819

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, 2022**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	BUSINESS- TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 2,483,010	\$ -	\$ 683,582	\$ -	\$ (1,799,428)	\$ -	\$ (1,799,428)
Special Education	515,306	-	-	-	(515,306)	-	(515,306)
Other Instructional	24,541	-	-	-	(24,541)	-	(24,541)
School Sponsored	11,102	-	-	-	(11,102)	-	(11,102)
Support Services & Undistributed Costs:							
Tuition	42,768	-	-	-	(42,768)	-	(42,768)
Student & Instruction Related Services	534,193	-	54,433	-	(479,760)	-	(479,760)
Health Services	116,615	-	-	-	(116,615)	-	(116,615)
Educational Media Services/School Library	891	-	-	-	(891)	-	(891)
School Administrative Services	163,713	-	-	-	(163,713)	-	(163,713)
General Administration	206,643	-	-	-	(206,643)	-	(206,643)
Central Services	173,948	-	-	-	(173,948)	-	(173,948)
Plant Operations & Maintenance	495,940	-	-	-	(495,940)	-	(495,940)
Pupil Transportation	419,909	-	-	-	(419,909)	-	(419,909)
Unallocated Benefits	1,401,928	-	612,295	-	(789,633)	-	(789,633)
On Behalf TPAF Pension and Social Security Contributions	436,539	-	436,539	-	-	-	-
Interest on Long-Term Debt and Other Charges	38,104	-	-	-	(38,104)	-	(38,104)
Transfer to Charter School	93,982	-	-	-	(93,982)	-	(93,982)
Internal Service Fund	31,946	31,946	-	-	-	-	-
Unallocated Depreciation	190,127	-	-	-	(190,127)	-	(190,127)
Total Governmental Activities	7,381,205	31,946	1,786,849	-	(5,562,410)	-	(5,562,410)
Business-Type Activities:							
Food Service	213,565	7,610	278,378	-	-	72,423	72,423
Total Business-Type Activities	213,565	7,610	278,378	-	-	72,423	72,423
Total Primary Government	\$ 7,594,770	\$ 39,556	\$ 2,065,227	\$ -	\$ (5,562,410)	\$ 72,423	\$ (5,489,987)

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, 2022**

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	2,946,132	-	2,946,132
Taxes Levied for Debt Service	121,756	-	121,756
Federal & State Aid Not Restricted	2,645,109	-	2,645,109
Tuition Charges	10,985	-	10,985
Investment Earnings	80	-	80
Miscellaneous Income	2,849	-	2,849
Cancellation of Prior Year Payables	32,523	-	32,523
Total General Revenues, Special Items, Extraordinary Items & Transfers	5,759,434	-	5,759,434
Change In Net Position	197,024	72,423	269,447
Net Position - Beginning	2,339,249	96,123	2,435,372
Net Position - Ending	\$ 2,536,273	\$ 168,546	\$ 2,704,819

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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, 2022**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 403,195	\$ -	\$ -	\$ 403,195
Receivables from Other Governments	683,743	417,544	-	1,101,287
Due from Other Funds	57,904	-	3	57,907
Restricted Cash & Cash Equivalents	302,076	-	-	302,076
Total Assets	\$ 1,446,918	\$ 417,544	\$ 3	\$ 1,864,465
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Deficit	\$ -	\$ 36,973	\$ -	\$ 36,973
Unearned Revenue	-	347,741	-	347,741
Accounts Payable	12,078	-	-	12,078
Payroll Payable	93,624	-	-	93,624
Due to Other Funds	28,559	57,904	-	86,463
Total Liabilities	134,261	442,618	-	576,879
Fund Balances:				
Restricted for:				
Capital Reserve	90,411	-	-	90,411
Maintenance Reserve	211,665	-	-	211,665
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	516,482	-	-	516,482
Excess Surplus - Current year	289,214	-	-	289,214
Debt Service	-	-	3	3
Student Activities	-	31,725	-	31,725
Assigned to:				
Other Purposes	21,525	-	-	21,525
Designated for Subsequent Year's Expenditures	7,830	-	-	7,830
Unassigned:				
General Fund	175,530	-	-	175,530
Special Revenue Fund	-	(56,799)	-	(56,799)
Total Fund Balances	1,312,657	(25,074)	3	1,287,586
Total Liabilities & Fund Balances	\$ 1,446,918	\$ 417,544	\$ 3	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,619,566 and the accumulated depreciation is \$4,900,986.	2,718,610
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	107,330
Deferred Inflows related to pensions	(410,547)
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.	(2,905)
Accrued pension contributions for the June 30, 2022 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.	(48,701)
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.	(1,115,100)
Net Position of Governmental Activities	\$ 2,536,273

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2022
Revenues:				
Local Sources:				
Local Tax Levy	\$ 2,946,132	\$ -	\$ 121,756	\$ 3,067,888
Tuition	10,985	-	-	10,985
Interest Earned	80	-	-	80
Miscellaneous	2,849	18,421	-	21,270
Total Local Sources	2,960,046	18,421	121,756	3,100,223
State Sources	3,837,106	124,924	-	3,962,030
Federal Sources	-	594,671	-	594,671
Total Revenues	6,797,152	738,016	121,756	7,656,924
Expenditures:				
Current Expense:				
Regular Instruction	1,799,427	683,583	-	2,483,010
Special Education Instruction	515,306	-	-	515,306
Other Instruction	24,541	-	-	24,541
School Sponsored	11,102	-	-	11,102
Support Services:				
Tuition	42,768	-	-	42,768
Attendance Services	18,942	-	-	18,942
Health Services	116,615	-	-	116,615
Student & Instruction Related Services	422,672	90,969	-	513,641
Educational Media Services/School Library	891	-	-	891
Instructional Staff Training	1,610	-	-	1,610
General Administration	206,643	-	-	206,643
School Administration	163,713	-	-	163,713
Central Services	173,948	-	-	173,948
Plant Operations & Maintenance	490,865	-	-	490,865
Pupil Transportation	419,909	-	-	419,909
Unallocated Employee Benefits	919,150	-	-	919,150
On Behalf TPAF Pension and Social Security Contributions	1,191,997	-	-	1,191,997
Debt Service:				
Principal	49,984	-	100,000	149,984
Interest & Other Charges	17,839	-	21,756	39,595
Capital Outlay	-	5,075	-	5,075
Total Expenditures	6,587,922	779,627	121,756	7,489,305
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	209,230	(41,611)	-	167,619
Other Financing Sources/(Uses)				
Cancellation of Prior Year Payables	32,523	-	-	32,523
Transfers to Charter School	(93,982)	-	-	(93,982)
Transfers from Other Funds	31,946	-	-	31,946
Total Other Financing Sources/(Uses)	(29,513)	-	-	(29,513)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	179,717	(41,611)	-	138,106
Fund Balances July 1	1,132,940	16,537	3	1,149,480
Fund Balances June 30	\$ 1,312,657	\$ (25,074)	\$ 3	\$ 1,287,586

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 138,106
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(190,127)
Repayment of long-term debt principal and obligation of loan payables are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	
Bond Principal	100,000
Loans Payable	49,983
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.	
	123,381
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 (-).	
	1,491
Close out of internal service fund	
	(31,946)
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 (+).	
	6,136
Change in Net Position of Governmental Activities	\$ 197,024

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

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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, 2022**

	BUSINESS-TYPE	
	ACTIVITIES	GOVERNMENTAL
ASSETS	ENTERPRISE FUND	ACTIVITIES
	FOOD	INTERNAL
	SERVICE	SERVICE
	FUND	FUND
Current Assets:		
Cash & Cash Equivalents	\$ 103,551	\$ 787
Interfund Receivable	28,556	-
Accounts Receivable	20,265	-
Inventories	3,086	-
	155,458	787
Total Current Assets		
	155,458	787
Noncurrent Assets:		
Equipment	123,559	-
Accumulated Depreciation	(110,471)	-
	13,088	-
Total Capital Assets		
	13,088	-
Total Assets		
	168,546	787
LIABILITIES:		
Current Liabilities:		
Unearned Revenue	-	787
	-	787
Total Current Liabilities		
	-	787
NET POSITION		
Investment in Capital Assets	13,088	-
Unrestricted Net Position	155,458	-
	168,546	-
Total Net Position		
	\$ 168,546	\$ -

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, 2022**

	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>	<u>INTERNAL SERVICE FUND</u>
Operating Revenue:		
Local Sources:		
Miscellaneous	\$ 7,610	\$ -
Total Operating Revenue	<u>7,610</u>	<u>-</u>
Operating Expenses:		
Supplies and Materials	1,080	-
Repairs & Other Expenses	1,185	-
Other Purchased Services-Contracted	209,454	-
Depreciation	1,846	-
Total Operating Expenses	<u>213,565</u>	<u>-</u>
Operating (Loss)/Gain	<u>(205,955)</u>	<u>-</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	4,411	-
Federal Sources:		
National School Breakfast Program	64,301	-
National School Lunch Program	187,557	-
Emergency Operational Costs Reimbursemen	6,679	-
Pandemic EBT Admin	1,242	-
Food Distribution Program	14,188	-
Total Nonoperating Revenues	<u>278,378</u>	<u>-</u>
Net Income/(Loss)	<u>72,423</u>	<u>-</u>
Other Financing Sources/(Uses):		
Operating Transfer In/(Out):		
Transfer to General Fund	-	(31,946)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(31,946)</u>
Change in Net Position	72,423	(31,946)
Total Net Position - Beginning	<u>96,123</u>	<u>31,946</u>
Total Net Position - Ending	<u>\$ 168,546</u>	<u>\$ -</u>

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, 2022**

	BUSINESS-TYPE	
	ACTIVITIES	GOVERNMENTAL
	ENTERPRISE FUND	ACTIVITIES
	FOOD SERVICE	INTERNAL SERVICE
	FUND	FUND
Cash Flows From Operating Activities:		
Receipts from Customers	\$ (22,910)	\$ -
Payments to Suppliers	(209,644)	-
Net Cash Provided/(Used) by Operating Activities	<u>(232,554)</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	5,102	-
Federal Sources	266,964	-
Transfer to General Fund	-	(31,946)
Net Cash Provided by Noncapital Financing Activities	<u>272,066</u>	<u>(31,946)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	39,512	(31,946)
Cash and Cash Equivalents, July 1	<u>64,039</u>	<u>32,733</u>
Cash & Cash Equivalents, June 30	<u>\$ 103,551</u>	<u>\$ 787</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (205,955)	\$ -
Adjustments to Reconcile Operating Income/(Loss)		
to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	1,846	-
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	2,075	-
(Increase)/Decrease in Interfund		-
Receivable	(28,556)	-
Increase/(Decrease) in Unearned Revenue	(1,964)	-
Total Adjustments	<u>(26,599)</u>	<u>-</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (232,554)</u>	<u>\$ -</u>

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, 2022

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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, 2022 of 291 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, 2022.

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, 2022

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, 2022

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, 2022

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, 2022**

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, 2022**

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, 2022**

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, 2022 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, 2022

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, 2022

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, 2022**

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, 2022.
- 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, 2022**

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, 2022:

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. The District has evaluated the effects of GASB Statement No. 87 and has determined the provisions of this Statement do not need to be applied due to the immaterial effect on the government-wide financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 96, Subscription-Based Information Technology Arrangements. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 101, Compensated Absences. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. 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 below. As of June 30, 2022, the District's bank balance of \$1,252,304 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,211,629
Uninsured and Uncollateralized		40,675
	\$	1,252,304

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 2. Cash Deposits and Investments (continued):

Investments

The District has no investments at June 30, 2022.

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, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	90,406
Increased by:		
Interest Earnings		5
Ending Balance, June 30, 2022	<u>\$</u>	<u>90,411</u>

The June 30, 2022 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve

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

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	261,615
Increased by:		
Interest Earnings		50
		261,665
Decreased by:		
Budget Withdrawals		(50,000)
Ending Balance, June 30, 2022	<u>\$</u>	<u>211,665</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2022 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>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Business-Type Activities</u>
Federal Awards	\$ 17,998	\$ 417,544	\$ 435,542	\$ 19,924	\$ 19,924
State Awards	665,745	-	665,745	341	341
Total	\$ 683,743	\$ 417,544	\$ 1,101,287	\$ 20,265	\$ 20,265

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</u>
Governmental Activities:				
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	6,599,699	-	-	6,599,699
Equipment	1,004,199	-	-	1,004,199
Total Capital Assets being depreciated	7,603,898	-	-	7,603,898
Less: Accumulated Depreciation:				
Buildings and Improvements	(3,873,323)	(162,286)	28,895	(4,006,714)
Equipment	(837,536)	(27,841)	(28,895)	(894,272)
Total Accumulated Depreciation	(4,710,859)	(190,127)	-	(4,900,986)
Total Capital Assets being depreciated, net	2,893,039	(190,127)	-	2,702,912
Total Governmental Activities Capital Assets, net	\$ 2,908,737	\$ (190,127)	\$ -	\$ 2,718,610

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 5. Capital Assets (continued)

	Balance July 1, <u>2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2022</u>
Business-Type Activities:				
Equipment	\$ 123,559	\$ -	\$ -	\$ 123,559
	<u>123,559</u>	<u>-</u>	<u>-</u>	<u>123,559</u>
Less: Accumulated Depreciation:				
Equipment	(108,625)	(1,846)	-	(110,471)
	<u>(108,625)</u>	<u>(1,846)</u>	<u>-</u>	<u>(110,471)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 14,934</u>	<u>\$ (1,846)</u>	<u>\$ -</u>	<u>\$ 13,088</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 57,904	\$ 28,559
Special Revenue Fund	-	57,904
Debt Service Fund	3	-
Food Service Fund	<u>28,556</u>	<u>-</u>
	<u>\$ 86,463</u>	<u>\$ 86,463</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 following interfund transfers accrued in the current year.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 31,946	\$ -
Internal Service Fund	<u>-</u>	<u>31,946</u>
	<u>\$ 31,946</u>	<u>\$ 31,946</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 585,000	\$ -	\$ 100,000	\$ 485,000	\$ 100,000
Loans Payable	101,566	-	49,993	51,573	51,573
Compensated Absences	101,028	-	6,136	94,892	-
Net Pension Liability	623,585	-	139,950	483,635	-
	<u>\$ 1,411,179</u>	<u>\$ -</u>	<u>\$ 296,079</u>	<u>\$ 1,115,100</u>	<u>\$ 151,573</u>

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

A. Bonds Payable:

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

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

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:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 485,000</u>	<u>\$ 48,779</u>	<u>\$ 533,779</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 7. Long-Term Obligations (continued):

Bonds Authorized But Not Issued:

As of June 30, 2022, the District had no authorized but not issued bonds.

B. Loans Payable

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

The following is a schedule of the remaining future minimum payments under this loan payable and the present value of the net minimum loan payments at June 30, 2022:

Fiscal Year Ending <u>June 30,</u>	
2023	\$ <u>53,223</u>
Total Minimum Loan Payments	53,223
Less: Amount Representing Interest	<u>(1,650)</u>
Present Value of Minimum Loan Payments	<u>\$ 51,573</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.

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, 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, 2022, the School District reported a liability of \$483,635 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The School District's proportion measured as of June 30, 2021, was 0.004082%, which was an increase of 0.000258% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension expense/(benefit) of (\$75,558) in the government-wide financial statements. This pension expense/(benefit) was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 7,628	\$ 3,462
Changes of Assumptions	2,519	172,177
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	127,402
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	48,482	107,506
School District Contributions Subsequent to Measurement Date	48,701	-
	\$ 107,330	\$ 410,547

\$48,701 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, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	Amount
2022	\$ (137,113)
2023	(97,898)
2024	(66,750)
2025	(50,176)
2026	19
	\$ (351,918)

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:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

	<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	-
June 30, 2021	5.13	-
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
June 30, 2021	-	5.13
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
June 30, 2021	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
June 30, 2021	5.13	5.13

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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		
	PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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-2021.

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, 2021) 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, 2021 are summarized in the following table:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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, 2021, 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 665,634	\$ 483,635	\$ 338,714

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.004083%	0.003824%

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 Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for TPAF:

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

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

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 8. Pension Plans (continued):

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, 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, 2021 was \$11,129,294. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.023149%, which was a decrease of 0.0005184% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the School District recognized \$261,877 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 7.00% 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, 2022**

Note 8. Pension Plans (continued):

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share sion Liability	\$ -	\$ -	\$ -
sey's Proportionate ension Liability the School District	13,167,814	11,129,294	9,417,065
	<u>\$ 13,167,814</u>	<u>\$ 11,129,294</u>	<u>\$ 9,417,065</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, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,458,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
District's portion of the Plan's total Net Pension Liability	0.02315%	0.02367%

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits 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, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Total Nonemployer OPEB Liability: \$ 60,007,650,970

Inflation Rate: 2.50%

	TPAF/ABP	PERS	PFRS
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	2.75 - 5.65% based on years of service	3.00 - 7.00% based on years of service	Not Applicable

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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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, 2022 was \$16,225,921. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.027039%, which was a decrease of 0.0025748% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$611,949 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, 2021 measurement date.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 19,436,106.13	\$ 16,225,921	\$ 13,698,092.91
State of New Jersey's Total Non- employer Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

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, 2021, 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:

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 13,134,936	\$ 16,225,921	\$ 20,376,886
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	10,179,536,966	6,438,261,807
	TBD	-
	\$ 19,225,423,829	\$ 24,447,624,783

** Employer Contributions made after June 30, 2021 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,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	\$ (5,222,200,954)

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Plan Membership

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability

Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Benefit Terms	(63,870,842)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	(1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	\$ 14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

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, 2022, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$192,609, \$824,380, \$346 and \$174,662, respectively.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Lincoln Investment Planning, Inc.
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.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 15. Compensated Absences (continued)

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, 2022 is \$94,892.

Note 16. Tax Abatements

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

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

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 was \$289,214.

Note 18. Fund Balance

General Fund – Of the \$1,312,657 General Fund fund balance at June 30, 2022, \$90,411 has been reserved in the Capital Reserve Account; \$261,665 has been reserved in the Maintenance Reserve Account; \$289,214 is restricted for current year excess surplus; \$516,482 is restricted for excess surplus – designated for subsequent year's expenditures; \$21,525 is assigned to other purposes; \$7,830 is designated for subsequent year's expenditures and \$175,530 is unassigned.

Special Revenue Fund – Of the (\$25,074) Special Revenue Fund fund balance at June 30, 2022, \$31,725 has been reserved for Student Activities and (\$56,799) is unassigned.

Debt Service Fund – Of the \$3 Debt Service Fund fund balance at June 30, 2022, \$3 is restricted for future debt service payments.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of (\$785,264) at June 30, 2022. 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, 2022.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 6, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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, 2022**

	ACCOUNT NUMBERS	JUNE 30, 2022				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Tax Levy	10-1210	\$ 2,946,132	\$ -	\$ 2,946,132	\$ 2,946,132	\$ -
Tuition From Other LEAs Within the State	10-1320	-	-	-	10,985	10,985
Interest on Investments	10-1510	-	-	-	25	25
Interest Earned on Maintenance Reserve	10-1XXX	50	-	50	50	-
Interest Earned on Capital Reserve	10-1XXX	5	-	5	5	-
Miscellaneous Revenues	10-1XXX	5,045	-	5,045	2,849	(2,196)
Total Local Sources		2,951,232	-	2,951,232	2,960,046	8,814
State Sources:						
Equalization Aid	10-3176	2,152,331	-	2,152,331	2,152,331	-
Categorical Special Education Aid	10-3132	194,666	-	194,666	194,666	-
Categorical Security Aid	10-3177	45,634	-	45,634	45,634	-
Categorical Transportation Aid	10-3121	95,887	-	95,887	95,887	-
Extraordinary Aid	10-3131	-	-	-	49,841	49,841
Other State Aid	10-3XXX	-	-	-	104,829	104,829
Non Public Transportation	10-3XXX	-	-	-	8,990	8,990
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	824,380	824,380
On-Behalf Post Retirement Medical Contribution		-	-	-	192,609	192,609
On-Behalf Long-Term Disability Insurance		-	-	-	346	346
Reimbursed TPAF Social Security Contribution		-	-	-	174,662	174,662
Total State Sources		2,488,518	-	2,488,518	3,844,175	1,355,657
Total Revenues		5,439,750	-	5,439,750	6,804,221	1,364,471
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers	11-105-100-101	62,195	3,564	65,759	65,289	470
Preschool/Kindergarten - Salaries of Teachers	11-110-100-101	195,392	3,584	198,976	194,998	3,978
Grades 1-5	11-120-100-101	894,405	(42,034)	852,371	837,741	14,630
Grades 6 - 8	11-130-100-101	515,541	(1,283)	514,258	514,019	239
Home Instruction:						
Salaries of Teachers	11-150-100-101	2,000	-	2,000	-	2,000
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	-	85,202	85,202	82,413	2,789
Purchased Professional - Educational Services						
Educational Services	11-190-100-320	100	-	100	100	-
Other Purchased Services	11-190-100-500	65,587	34	65,621	64,307	1,314
General Supplies	11-190-100-610	53,200	(8,282)	44,918	39,662	5,256
Textbooks	11-190-100-640	650	248	898	898	-
Total Regular Programs		1,789,070	41,033	1,830,103	1,799,427	30,676
Special Education:						
Resource Room:						
Salaries of Teachers	11-213-100-101	232,548	13,883	246,431	242,939	3,492
Other Salaries for Instruction	11-213-100-106	113,781	(9,022)	104,759	104,118	641
General Supplies	11-213-100-610	1,800	-	1,800	188	1,612
Total Resource Room		348,129	4,861	352,990	347,245	5,745
Special Education - Home Instruction:						
Salaries of Teachers	11-216-100-101	78,072	2,231	80,303	76,157	4,146
Other Salaries for Instruction	11-216-100-106	63,441	28,463	91,904	91,904	-
General Supplies	11-216-100-600	300	-	300	-	300
Total Special Education - Home Instruction		141,813	30,694	172,507	168,061	4,446
Total Special Education		489,942	35,555	525,497	515,306	10,191
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	25,521	-	25,521	24,356	1,165
General Supplies	11-230-100-610	300	-	300	185	115
Total Basic Skills/Remedial		25,821	-	25,821	24,541	1,280
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	9,522	828	10,350	10,350	-
Other Purchased Services	11-401-100-500	100	-	100	-	100
Supplies and Materials	11-401-100-600	1,300	-	1,300	626	674
Total School Sponsored Cocurricular Activities		10,922	828	11,750	10,976	774
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	10,700	(8,000)	2,700	-	2,700
General Supplies	11-402-100-610	2,015	-	2,015	126	1,889
Total School Sponsored Athletics Instruction		12,715	(8,000)	4,715	126	4,589
Total Instruction		2,328,470	69,416	2,397,886	2,350,376	47,510

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBERS	JUNE 30, 2022			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Special	11-000-100-562	26,944	2,368	29,312	29,148	164
Tuition to CSSD & Regional Day School	11-000-100-565	38,900	(14,788)	24,112	13,620	10,492
Total Undistributed Expenditures - Instruction		65,844	(12,420)	53,424	42,768	10,656
Attendance & Social Work Services:						
Salaries	11-000-211-100	-	11,710	11,710	11,710	-
Other Purchased Services	11-000-211-500	7,953	-	7,953	7,232	721
Total Attendance & Social Work Services		7,953	11,710	19,663	18,942	721
Health Services:						
Salaries	11-000-213-100	116,015	536	116,551	114,805	1,746
Purchased Professional & Technical Services	11-000-213-300	2,200	3,495	5,695	344	5,351
Other Purchased Services	11-000-213-500	500	-	500	-	500
Supplies and Materials	11-000-213-600	2,500	-	2,500	1,466	1,034
Total Health Services		121,215	4,031	125,246	116,615	8,631
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	35,501	(35,500)	1	-	1
Purchased Professional Educational Services	11-000-216-320	113,290	7,663	120,953	120,952	1
Supplies and Materials	11-000-216-600	500	(453)	47	-	47
Total Other Support Services-Students-Related Services		149,291	(28,290)	121,001	120,952	49
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	80,455	4,785	85,240	83,240	2,000
Other Purchased Professional & Technical Services	11-000-218-390	200	-	200	-	200
Supplies and Materials	11-000-218-600	300	-	300	208	92
Total Other Support Services - Students - Regular		80,955	4,785	85,740	83,448	2,292
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	47,788	(3,201)	44,587	44,162	425
Salaries of Secretarial & Clerical Assistants	11-000-219-105	35,043	(4,309)	30,734	30,734	-
Purchased Professional Educational Services	11-000-219-320	23,700	70,150	93,850	91,200	2,650
Other Purchased Services	11-000-219-500	4,304	(114)	4,190	4,093	97
Supplies and Materials	11-000-219-600	2,650	-	2,650	2,620	30
Other Objects	11-000-219-800	100	-	100	-	100
Total Other Support Services-Students-Special Services		113,585	62,526	176,111	172,809	3,302
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Other Professional Staff	11-000-221-104	97,411	(68,900)	28,511	28,480	31
Salaries of Secretarial & Clerical Assistants	11-000-221-105	5,260	11,500	16,760	16,576	184
Other Purchased Services	11-000-221-500	1,000	-	1,000	200	800
Supplies and Materials	11-000-221-600	600	-	600	207	393
Total Improvement of Instruction Services/Other Support Services Instructional Staff		104,271	(57,400)	46,871	45,463	1,408
Educational Media Services/School Library:						
Salaries	11-000-222-100	950	(362)	588	-	588
Other Purchased Services	11-000-222-500	250	-	250	-	250
Supplies and Materials	11-000-222-600	1,646	-	1,646	891	755
Total Educational Media Services/School Library		2,846	(362)	2,484	891	1,593
Support Services Instructional Staff Training Service:						
Purchased Professional - Educational Services	11-000-223-320	500	-	500	-	500
Other Purchased Services	11-000-223-500	1,650	-	1,650	1,610	40
Total Support Services Instructional Staff Training		2,150	-	2,150	1,610	540
Support Services General Administration:						
Salaries	11-000-230-100	61,020	(24,000)	37,020	34,351	2,669
Legal Services	11-000-230-331	31,810	-	31,810	27,053	4,757
Audit Services	11-000-230-332	21,500	-	21,500	20,945	555
Other Purchased Professional Services	11-000-230-339	54,000	18,842	72,842	70,598	2,244
Architectural Services	11-000-230-334	-	450	450	450	-
Purchased Technical Services	11-000-230-340	250	-	250	-	250
Communications/Telephone	11-000-230-530	23,465	4,630	28,095	27,284	811
BOE Other Purchased Services	11-000-230-585	740	(540)	200	-	200
Other Purchased Services	11-000-230-590	24,126	(3,382)	20,744	20,716	28
Supplies and Materials	11-000-230-600	1,000	-	1,000	850	150
Miscellaneous Expenditures	11-000-230-890	2,000	-	2,000	1,412	588
BOE Membership Dues & Fees	11-000-230-895	3,015	-	3,015	2,984	31
Total Support Services General Administration		222,926	(4,000)	218,926	206,643	12,283

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBERS	JUNE 30, 2022				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services School Administration:						
Salaries of Other Professional Staff	11-000-240-104	73,800	71,895	145,695	145,200	495
Salaries of Secretarial & Clerical Assistants	11-000-240-105	12,298	3,105	15,403	15,403	-
Purchased Professional & Technical Services	11-000-240-300	3,499	-	3,499	1,164	2,335
Other Purchased Services	11-000-240-500	650	-	650	-	650
Supplies and Materials	11-000-240-600	600	-	600	571	29
Other Objects	11-000-240-800	1,850	-	1,850	1,375	475
Total Support Services School Administration		92,697	75,000	167,697	163,713	3,984
Central Services:						
Salaries	11-000-251-100	157,239	(12,365)	144,874	144,874	-
Purchased Professional Services	11-000-251-330	1,175	707	1,882	1,798	84
Purchased Technical Services	11-000-251-340	17,016	5,341	22,357	22,357	-
Miscellaneous Purchased Services	11-000-251-592	260	-	260	97	163
Supplies & Materials	11-000-251-600	1,500	-	1,500	1,447	53
Interest on Lease Purchase	11-000-251-832	3,250	-	3,250	3,250	-
Miscellaneous Expenditures	11-000-251-890	1,065	(250)	815	125	690
Total Central Services		181,505	(6,567)	174,938	173,948	990
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	50,386	675	51,061	51,061	-
Maintenance Services	11-000-261-420	90,016	(2,756)	87,260	32,706	54,554
General Supplies	11-000-261-610	16,745	336	17,081	15,188	1,893
Total Allowance Maintenance for School Facilities		157,147	(1,745)	155,402	98,955	56,447
Other Operation & Maintenance of Plant Services:						
Purchased Professional & Technical Services	11-000-262-300	184,851	753	185,604	185,604	-
Cleaning, Repair & Maintenance Services	11-000-262-420	6,750	(454)	6,296	4,723	1,573
Insurance	11-000-262-520	29,346	(3,000)	26,346	25,661	685
Miscellaneous Purchased Services	11-000-262-590	460	154	614	583	31
General Supplies	11-000-262-610	7,133	176	7,309	4,704	2,605
Energy (Natural Gas)	11-000-262-621	40,660	(4,676)	35,984	33,688	2,296
Energy (Electricity)	11-000-262-622	120,142	41	120,183	120,183	-
Other Objects	11-000-262-800	100	-	100	-	100
Total Other Operation & Maintenance of Plant Services		389,442	(7,006)	382,436	375,146	7,290
Care & Upkeep of Grounds						
Salaries	11-000-263-100	12,482	253	12,735	12,735	-
Cleaning, Repair & Maintenance Services	11-000-263-420	500	1,200	1,700	1,650	50
General Supplies	11-000-263-610	2,575	-	2,575	2,379	196
Total Care & Upkeep of Grounds		15,557	1,453	17,010	16,764	246
Student Transportation Services:						
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	10,319	6,072	16,391	16,391	-
Management Fee-ESC & CTSA						
Transportation Program	11-000-270-350	11,183	-	11,183	10,674	509
Aid in Lieu of Payments	11-000-270-503	32,000	(72)	31,928	31,062	866
Contracted Services Aid in Lieu - Charter Schools	11-000-270-504	8,000	-	8,000	3,000	5,000
Contracted Services Aid in Lieu - Choice School	11-000-270-505	30,000	-	30,000	27,000	3,000
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	12,318	-	12,318	-	12,318
Contracted Services (Between Home & School) - Joint	11-000-270-513	211,094	-	211,094	204,829	6,265
Contracted Services (Special Education Students) - ESC	11-000-270-518	230,006	(92,500)	137,506	126,953	10,553
Total Student Transportation Services		544,920	(86,500)	458,420	419,909	38,511
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	45,620	(44,290)	1,330	39,522	(38,192)
Other Retirement Contributions - PERS	11-000-291-241	62,637	(10,422)	52,215	49,057	3,158
Unemployment Compensation	11-000-291-250	12,000	3,500	15,500	15,161	339
Workmen's Compensation	11-000-291-260	32,811	-	32,811	27,921	4,890
Health Benefits	11-000-291-270	845,347	(23,337)	822,010	776,477	45,533
Other Employee Benefits	11-000-291-290	4,250	51,052	55,302	11,012	44,290
Total Unallocated Benefits - Employee Benefits		1,002,665	(23,497)	979,168	919,150	60,018
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	824,380	(824,380)
On-Behalf Post Retirement Medical Contribution		-	-	-	192,609	(192,609)
On-Behalf Long-Term Disability Insurance		-	-	-	346	(346)
Reimbursed TPAF Social Security Contribution		-	-	-	174,662	(174,662)
Total Undistributed Expenditures		3,254,969	(68,282)	3,186,687	4,169,723	(983,036)
Total Expenditures - Current Expense		5,583,439	1,134	5,584,573	6,520,099	(935,526)

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBERS	JUNE 30, 2022				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Facilities Acquisition & Construction Services:						
Lease Purchase Principal	12-000-400-721	49,984	-	49,984	49,984	-
Assessment for Debt Service on SDA Funding	12-000-400-896	17,839	-	17,839	17,839	-
Total Facilities Acquisition & Construction Services		<u>67,823</u>	<u>-</u>	<u>67,823</u>	<u>67,823</u>	<u>-</u>
Interest Deposit to Capital Reserve	10-604	5	-	5	-	5
Interest Deposit to Maintenance Reserve	10-606	50	-	50	-	50
Total Capital Outlay		<u>67,878</u>	<u>-</u>	<u>67,878</u>	<u>67,823</u>	<u>55</u>
Total Expenditures		<u>5,651,317</u>	<u>1,134</u>	<u>5,652,451</u>	<u>6,587,922</u>	<u>(935,471)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		<u>(211,567)</u>	<u>(1,134)</u>	<u>(212,701)</u>	<u>216,299</u>	<u>429,000</u>
Other Financing Sources/(Uses):						
Transfer to Charter School	10-000-100-56X	(106,913)	-	(106,913)	(93,982)	12,931
Transfer from Other Funds		31,946	-	31,946	31,946	-
Cancellation of Prior Year Accounts Payable		-	-	-	32,523	32,523
Total Other Financing Sources/(Uses)		<u>(74,967)</u>	<u>-</u>	<u>(74,967)</u>	<u>(29,513)</u>	<u>45,454</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		<u>(286,534)</u>	<u>(1,134)</u>	<u>(287,668)</u>	<u>186,786</u>	<u>474,454</u>
Fund Balances, July 1		<u>1,364,001</u>	<u>-</u>	<u>1,364,001</u>	<u>1,364,001</u>	<u>-</u>
Fund Balances, June 30		<u>\$ 1,077,467</u>	<u>\$ (1,134)</u>	<u>\$ 1,076,333</u>	<u>\$ 1,550,787</u>	<u>\$ 474,454</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	<u>\$ 1,134</u>
Total	<u>\$ 1,134</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	\$ 90,411
Maintenance Reserve	211,665
Excess Surplus	289,214
Excess Surplus Designated for Subsequent Year's Expenditures	516,482
Assigned to:	
Year-End Encumbrances	21,525
Designated for Subsequent Year's Expenditures	7,830
Unassigned Fund Balance	<u>413,660</u>
Subtotal	1,550,787
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(238,130)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,312,657</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	JUNE 30, 2022				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 202,105	\$ 664,402	\$ 866,507	\$ 585,361	\$ (281,146)
State Sources	160,768	-	160,768	167,507	6,739
Local Sources	-	-	-	18,421	18,421
Total Revenues	362,873	664,402	1,027,275	771,289	(255,986)
Expenditures:					
Instruction:					
Salaries	126,141	115,181	241,322	230,983	10,339
Purchased Educational Services	141,523	35,996	177,519	127,519	50,000
Other Purchased Services	2,000	4,000	6,000	5,085	915
Supplies & Materials	7,608	317,480	325,088	310,686	14,402
Total Instruction	277,272	472,657	749,929	674,273	75,656
Support Services:					
Benefits	9,486	54,409	63,895	51,763	12,132
Purchased Professional Services	8,000	-	8,000	945	7,055
Other Purchased Services	25,019	15,385	40,404	4,056	36,348
Supplies	-	15,769	15,769	16,756	(987)
Student Activities	-	-	-	17,449	(17,449)
Total Support Services	42,505	85,563	128,068	90,969	37,099
Facilities Acquisition & Construction Services:					
Instructional Equipment	43,096	106,182	149,278	5,075	144,203
Total Facilities Acquisition & Construction Services	43,096	106,182	149,278	5,075	144,203
Total Expenditures	362,873	664,402	1,027,275	770,317	256,958
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	972	972
Fund Balance, July 1	30,753		30,753	30,753	-
Fund Balance, June 30	\$ 30,753	\$ -	\$ 30,753	\$ 31,725	\$ 972

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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, 2022**

**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)	\$ 6,804,221	\$ 771,289
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	-
Current Year	-	9,310
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	231,061	14,216
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(238,130)	(56,799)
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<hr/> <hr/> \$ 6,797,152	<hr/> <hr/> \$ 738,016
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,587,922	\$ 770,317
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	-
Current Year	-	9,310
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<hr/> <hr/> \$ 6,587,922	<hr/> <hr/> \$ 779,627

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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 NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00408%	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)	\$ 483,635	\$ 623,585	\$ 730,497	\$ 940,890	\$ 1,134,328	\$ 1,395,401	\$ 854,417	\$ 827,889	\$ 825,097
District's covered-employee payroll	459,923	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	105.16%	222.58%	244.02%	341.95%	400.62%	448.80%	247.19%	268.95%	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	N/A

**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 NINE FISCAL YEARS**

	<u>2022</u>	<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	\$ 47,811	\$ 41,832	\$ 39,435	\$ 47,532	\$ 45,142	\$ 41,856	\$ 32,727	\$ 36,453	\$ 32,529
Contributions in relation to the contractually required contribution	(47,811)	(41,832)	(39,435)	(47,532)	(45,142)	(41,856)	(32,727)	(36,453)	(32,529)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 459,923	\$ 280,167	\$ 299,356	\$ 275,158	\$ 283,140	\$ 310,918	\$ 345,646	\$ 307,827	\$ 307,827
Contributions as a percentage of covered payroll	10.40%	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 NINE FISCAL YEARS***

	2022	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%	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	11,129,294	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	\$ 2,302,262	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	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 FIVE FISCAL YEARS***

	2022	2021	2020	2019	2018
Total OPEB Liability Associated with the District					
Service Cost	\$ 762,133	\$ 443,734	\$ 411,075	\$ 486,337	\$ 713,616
Interest Cost	420,917	453,628	546,486	583,968	507,028
Differences Between Expected and Actual	(4,733,974)	3,169,962	(1,980,899)	(1,223,055)	-
Changes of Assumptions	16,008	3,668,226	189,136	(1,594,768)	(2,114,285)
Contributions: Member	10,761	10,597	11,543	12,843	13,649
Gross Benefit Payments	(331,565)	(349,605)	(389,395)	(371,605)	(370,673)
Net Change in Total OPEB Liability Associated with the District	(3,855,720)	7,396,542	(1,212,054)	(2,106,280)	(1,250,665)
Total OPEB Liability Associated with the District (Beginning)	20,081,641	12,685,099	13,897,153	16,003,433	17,254,098
Total OPEB Liability Associated with the District (Ending)	\$ 16,225,921	\$ 20,081,641	\$ 12,685,099	\$ 13,897,153	\$ 16,003,433
District's Covered Employee Payroll	\$ 2,762,185	\$ 2,543,882	\$ 2,465,960	\$ 2,856,011	\$ 2,676,291
Net OPEB Liability Associated with the District as a Percentage of Payroll	587.43%	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 information for those years for which information is available.

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate remains unchanged from 7.00% as of June 30, 2020 and June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

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OTHER SUPPLEMENTARY INFORMATION

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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, 2022**

	TITLE I PART A	TITLE II PART A	TITLE IV REGULAR	I.D.E.A. PART B BASIC	I.D.E.A. PART B BASIC	PRESCHOOL EDUCATION	CRRSA ESSER	STUDENT ACTIVITIES	TOTAL
Revenues:									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,421	\$ 18,421
State Sources	-	-	-	-	-	167,507	-	-	167,507
Federal Sources	78,178	5,618	3,085	88,596	3,623	-	406,261	-	585,361
Total Revenues	\$ 78,178	\$ 5,618	\$ 3,085	\$ 88,596	\$ 3,623	\$ 167,507	\$ 406,261	\$ 18,421	\$ 771,289
Expenditures:									
Instruction:									
Salaries	\$ 59,542	\$ 1,896	\$ -	\$ -	\$ -	\$ 124,772	\$ 44,773	\$ -	\$ 230,983
Other Purchased Professional	-	-	3,085	-	-	2,000	-	-	5,085
Tuition	-	-	-	84,423	-	-	43,096	-	127,519
General Supplies	-	-	-	2,405	316	7,608	300,357	-	310,686
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	59,542	1,896	3,085	86,828	316	134,380	388,226	-	674,273
Support Services:									
Personal Services - Employee Benefits	18,636	-	-	-	-	33,127	-	-	51,763
Purchased Professional Services	-	945	-	-	-	-	-	-	945
Other Purchased Services	-	-	-	-	-	-	4,056	-	4,056
Supplies	-	2,777	-	-	-	-	13,979	-	16,756
Student Activities	-	-	-	-	-	-	-	17,449	17,449
Total Support Services	18,636	3,722	-	-	-	33,127	18,035	17,449	90,969
Facilities Acquisition & Construction Services:									
Instructional Equipment	-	-	-	1,768	3,307	-	-	-	5,075
Total Facilities Acquisition & Construction Services	-	-	-	1,768	3,307	-	-	-	5,075
Total Expenditures	78,178	5,618	3,085	88,596	3,623	167,507	406,261	17,449	770,317
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	972	972
Fund Balance, July 1	-	-	-	-	-	-	-	-	30,753
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,725	\$ 31,725

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 510,882	\$ 124,772	\$ 386,110
Other Purchased Services	2,000	2,000	-
General Supplies	7,608	7,608	-
	<hr/>	<hr/>	<hr/>
Total Instruction	520,490	134,380	386,110
	<hr/>	<hr/>	<hr/>
Support Services:			
Personal Services - Employee Benefits	39,519	33,127	6,392
Contracted Services- Transportation	500	-	500
	<hr/>	<hr/>	<hr/>
Total Support Services	40,019	33,127	6,892
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 560,509</u>	<u>\$ 167,507</u>	<u>\$ 393,002</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 560,509
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	<u>7,482</u>
Total Preschool Education Aid Funds Available for 2021-2022 Budget	567,991
Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(560,509)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	7,482
Add: June 30, 2022 Unexpended Preschool Education Aid Funds	<u>393,002</u>
2021-2022 Carryover - Preschool Education Aid Funds	<u>\$ 400,484</u>
2021-2022 Preschool Education Aid Funds Carryover Budgeted in 2022-2023	<u>\$ -</u>

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, 2022**

ASSETS	FOOD SERVICE FUND
Current Assets:	
Cash & Cash Equivalents	\$ 103,551
Accounts Receivable:	
State	341
Federal	19,924
Interfund Receivable	28,556
Inventories	<u>3,086</u>
Total Current Assets	<u>155,458</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	123,559
Accumulated Depreciation	<u>(110,471)</u>
Total Noncurrent Assets	<u>13,088</u>
Total Assets	<u>168,546</u>
NET POSITION	
Investment in Capital Assets	13,088
Unrestricted Net Position	<u>155,458</u>
Total Net Position	<u><u>\$ 168,546</u></u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2022**

	FOOD SERVICE FUND
Operating Revenue:	
Local Sources:	
Miscellaneous	\$ 7,610
Total Operating Revenue	<u>7,610</u>
Operating Expenses:	
Purchased Services	209,454
Supplies and Materials	1,080
Cleaning, Repair & Maintenance Services	1,185
Depreciation	<u>1,846</u>
Total Operating Expenses	<u>213,565</u>
Operating (Loss)/Gain	<u>(205,955)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	4,411
Federal Sources:	
National School Breakfast Program	64,301
National School Lunch Program	187,557
Emergency Operational Costs Reimbursement	6,679
Pandemic EBT Admin	1,242
Food Distribution Program	<u>14,188</u>
Total Nonoperating Revenues	<u>278,378</u>
Net Income/(Loss)	<u>72,423</u>
Change in Net Position	72,423
Total Net Position - Beginning	<u>96,123</u>
Total Net Position - Ending	<u><u>\$ 168,546</u></u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2022**

	FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ (22,910)
Payments to Suppliers	<u>(209,644)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(232,554)</u>
Cash Flows From Noncapital Financing Activities:	
Cash received from state reimbursements	5,102
Cash received from federal reimbursements	<u>266,964</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>272,066</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	39,512
Cash & Cash Equivalents, July 1	<u>64,039</u>
Cash & Cash Equivalents, June 30	<u><u>\$ 103,551</u></u>

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

Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (205,955)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:	
Depreciation Expense	1,846
Change in Assets & Liabilities:	
(Increase)/Decrease in Inventory	2,075
(Increase)/Decrease in Interfund Receivable	(28,556)
Increase/(Decrease) in Unearned Revenue	<u>(1,964)</u>
Total Adjustments	<u>(26,599)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (232,554)</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, 2022**

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2022**

	<u>GOVERNMENTAL ACTIVITIES</u>		2022
	CHILD STUDY TEAM	MUSIC TEACHER CONSORTIUM	
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Transfer to General Fund	\$ (31,946)	\$ -	\$ (31,946)
Total Other Financing Sources/(Uses)	<u>(31,946)</u>	<u>-</u>	<u>(31,946)</u>
Change in Net Position	<u>(31,946)</u>	<u>-</u>	<u>(31,946)</u>
Total Net Position- July 1	<u>31,946</u>	<u>-</u>	<u>31,946</u>
Total Net Position - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2022**

	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL
	CHILD STUDY TEAM	MUSIC TEACHER CONSORTIUM	
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	\$ (31,946)	\$ -	\$ (31,946)
Net Cash Provided by Noncapital Financing Activities	<u>(31,946)</u>	<u>-</u>	<u>(31,946)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	<u>(31,946)</u>	<u>-</u>	<u>(31,946)</u>
Cash & Cash Equivalents, July 1	<u>31,946</u>	<u>787</u>	<u>32,733</u>
Cash & Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ 787</u>	<u>\$ 787</u>

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I. Long-Term Debt

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**DEERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2022**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2021	ISSUED	REDEEMED	BALANCE JUNE 30, 2022
Series 2011 Refunding Bonds of 08/17/2004 Issue	8/16/2012	\$ 1,460,000	12/01/23 11/30/24 12/01/25 12/01/26 12/01/27	3.500% 3.500% 4.125% 4.125% 4.125%	\$ 585,000	\$ -	\$ 100,000	\$ 485,000
Total					\$ 585,000	\$ -	\$ 100,000	\$ 485,000

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LOANS PAYABLE
JUNE 30, 2022**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2021	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2022
HVAC Upgrade	5/14/2019	4 Years	3.20%	\$ 200,000	\$ 101,556	\$ -	\$ 49,983	\$ 51,573
Total					\$ 101,556	\$ -	\$ 49,983	\$ 51,573

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	JUNE 30, 2022				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 121,756	\$ -	\$ 121,756	\$ 121,756	\$ -
Total Revenues	121,756	-	121,756	121,756	-
Expenditures:					
Regular Debt Service:					
Interest	21,757	-	21,757	21,756	1
Principal	100,000	-	100,000	100,000	-
Total Expenditures	121,757	-	121,757	121,756	1
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1)	-	(1)	-	1
Fund Balance July 1	3	-	3	3	-
Fund Balance June 30	\$ 2	\$ -	\$ 2	\$ 3	\$ 1

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,182,037	\$ 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
Restricted	1,139,500	1,115,624	796,452	837,738	761,304	472,960	551,315	503,191	346,443	410,783
Unrestricted	(785,264)	(1,006,028)	(1,049,464)	(1,055,863)	(1,019,266)	(970,252)	(850,926)	(780,693)	68,845	25,176
Total Governmental Activities	\$ 2,536,273	\$ 2,331,767	\$ 2,131,079	\$ 2,085,421	\$ 2,091,313	\$ 1,887,813	\$ 2,123,091	\$ 2,201,671	\$ 3,302,153	\$ 3,413,944
Business-Type Activities:										
Investment in Capital Assets	\$ 13,088	\$ 14,934	\$ 23,458	\$ 24,295	\$ -	\$ 572	\$ -	\$ -	\$ -	\$ -
Unrestricted	155,458	81,189	64,719	50,347	63,855	63,129	69,216	46,791	48,642	38,528
Total Business-Type Activities	\$ 168,546	\$ 96,123	\$ 88,177	\$ 74,642	\$ 63,855	\$ 63,701	\$ 69,216	\$ 46,791	\$ 48,642	\$ 38,528
District-Wide:										
Net Investment in Capital Assets	\$ 2,195,125	\$ 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
Restricted	1,139,500	1,115,624	796,452	837,738	761,304	472,960	551,315	503,191	346,443	410,783
Unrestricted	(629,806)	(924,839)	(984,745)	(1,005,516)	(955,411)	(907,123)	(781,710)	(733,902)	117,487	63,704
Total District Net Position	\$ 2,704,819	\$ 2,427,890	\$ 2,219,256	\$ 2,160,063	\$ 2,155,168	\$ 1,951,514	\$ 2,192,307	\$ 2,248,462	\$ 3,350,795	\$ 3,452,472

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Governmental Revenues:										
Regular	\$ 2,483,010	\$ 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
Special Education	515,306	294,473	460,017	864,616	658,585	648,073	703,850	694,851	648,247	538,987
Other Instruction	24,541	24,828	24,369	13,952	17,248	12,458	4,026	2,602	4,683	10,024
Other Special Education	11,102	16,408	16,408	98,854	42,188	23,193	23,234	2,637	640	38,000
Support Services:										
Tuition	42,768	278,265	157,923	97,239	158,492	373,532	343,912	250,281	554,228	545,736
Student & Instruction Related Services	651,699	565,613	711,308	724,617	697,142	689,981	651,925	581,542	459,247	440,002
School Administrative Services	163,713	63,796	71,681	72,326	83,779	76,289	78,220	75,208	72,365	64,959
General & Business Administrative Services	206,643	251,757	290,956	434,417	417,918	407,068	384,399	375,635	346,820	408,206
Central Office & Technology Services	173,948	168,074	171,789	-	-	-	-	-	-	-
Plant Operations & Maintenance	495,940	518,940	502,935	732,851	462,458	434,483	451,441	440,436	432,652	389,062
Pupil Transportation	419,909	367,293	424,222	404,567	351,772	464,852	401,503	386,683	447,751	396,761
Internal Service Funds	-	-	-	53,417	55,178	59,848	62,524	54,317	58,082	53,707
Unallocated Benefits	1,401,928	1,767,278	1,166,925	2,754,181	3,235,995	2,690,030	2,083,824	1,857,793	1,322,969	1,352,123
On Behalf TPAP Pension and Social Security Contributions	436,539	1,137,758	990,899	-	-	-	-	-	-	-
Transfer to Charter School	93,982	121,171	34,082	12,196	24,322	49,390	40,533	8,981	-	-
Interest on Long-Term Debt	38,104	41,714	50,152	32,241	35,432	35,474	40,619	43,305	44,075	53,833
Unallocated Depreciation	190,127	190,131	174,743	5,243	5,152	5,683	5,683	5,591	5,591	5,784
State Debt Service Assessment	-	-	-	17,839	17,839	17,839	17,839	17,839	17,839	17,838
Amortization of Debt Issuance Costs	-	-	-	-	-	-	-	-	-	13,148
Total Governmental Activities Expenses	7,349,259	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
Business-Type Activities:										
Food Service	213,565	141,304	127,053	178,545	197,747	210,173	176,287	175,216	155,199	174,081
Total Business-Type Activities Expense	213,565	141,304	127,053	178,545	197,747	210,173	176,287	175,216	155,199	174,081
Total District Expenses	\$ 7,562,824	\$ 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
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Internal Service Fund	-	-	-	61,287	70,446	58,572	59,743	60,938	62,157	63,401
Operating Grants & Contributions	1,786,849	2,433,203	1,583,892	287,116	358,483	431,471	400,362	984,358	1,181,197	1,679,133
Total Governmental Activities Program Revenues	1,786,849	2,433,203	1,583,892	348,403	428,929	490,043	460,105	1,045,296	1,243,354	1,742,534
Business-Type Activities:										
Charges for Services:										
Food Service	7,610	339	30,716	66,098	64,804	65,939	66,393	59,375	53,070	53,759
Operating Grants & Contributions	278,378	155,592	109,872	123,234	133,097	137,002	132,319	121,990	112,243	121,361
Total Business-Type Activities Program Revenues	285,988	155,931	140,588	189,332	197,901	202,941	198,712	181,365	165,313	175,120
Total District Program Revenues	\$ 2,072,837	\$ 2,589,134	\$ 1,724,480	\$ 537,735	\$ 626,830	\$ 692,984	\$ 658,817	\$ 1,226,661	\$ 1,408,667	\$ 1,917,654

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

	FISCAL YEAR ENDING JUNE 30.									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expense)/Revenue:										
Governmental Activities	\$ (5,562,410)	\$ (5,385,214)	\$ (5,612,349)	\$ (6,087,423)	\$ (5,579,701)	\$ (5,840,366)	\$ (5,616,939)	\$ (5,424,074)	\$ (5,472,071)	\$ (5,496,641)
Business-Type Activities	72,423	14,627	13,535	10,787	154	(7,232)	22,425	6,149	10,114	1,039
Total District-Wide Net Expense	\$ (5,489,987)	\$ (5,370,587)	\$ (5,598,814)	\$ (6,076,636)	\$ (5,579,547)	\$ (5,847,598)	\$ (5,594,514)	\$ (5,417,925)	\$ (5,461,957)	\$ (5,495,602)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,946,132	\$ 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
Taxes Levied for Debt Service	121,756	130,343	134,020	127,520	135,681	135,681	140,807	147,981	109,681	241,042
Unrestricted Grants & Contributions	2,645,109	2,588,538	2,672,401	3,078,283	2,919,684	2,835,613	2,846,480	2,771,110	2,837,015	2,911,572
Tuition Received	10,985	-	7,474	66,206	43,816	60,757	48,583	92,499	57,686	-
Investment Earnings	80	557	12,206	28,766	12,825	4,439	1,526	215	368	801
Miscellaneous Income	2,849	12,963	4,603	12,357	3,483	3,749	2,431	8,189	19,985	10,929
Adjustment to Capital assets	-	(125,223)	-	(3,468)	-	(261)	-	-	(176)	-
Prior Year Adjustments	32,523	59,816	-	-	-	-	-	(365,302)	(176)	-
Transfers	-	-	-	-	-	-	-	8,000	-	-
Net Proceeds of Bond Sale	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 5,759,434	\$ 5,555,359	\$ 5,658,007	\$ 6,081,530	\$ 5,783,201	\$ 5,605,086	\$ 5,538,361	\$ 5,112,236	\$ 5,405,835	\$ 5,458,214
Business-Type Activities:										
Adjustment to Capital Assets	-	(6,681)	-	-	-	1,717	-	-	-	-
Transfers	-	-	-	-	-	-	-	(8,000)	-	-
Total Business-Type Activities	-	-	-	-	-	1,717	-	(8,000)	-	-
Total District-Wide	\$ 5,759,434	\$ 5,548,678	\$ 5,658,007	\$ 6,081,530	\$ 5,783,201	\$ 5,606,803	\$ 5,538,361	\$ 5,104,236	\$ 5,405,835	\$ 5,458,214
Change in Net Position:										
Governmental Activities	\$ 197,024	\$ 170,145	\$ 45,658	\$ (5,893)	\$ 203,500	\$ (235,280)	\$ (78,578)	\$ (311,838)	\$ (66,236)	\$ (38,427)
Business-Type Activities	72,423	7,946	13,535	10,787	154	(5,515)	22,425	(1,851)	10,114	1,039
Total District	\$ 269,447	\$ 178,091	\$ 59,193	\$ 4,894	\$ 203,654	\$ (240,795)	\$ (56,153)	\$ (313,689)	\$ (56,122)	\$ (37,388)

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 1,107,772	\$ 1,093,484	\$ 806,784	\$ 837,737	\$ 761,304	\$ 472,959	\$ 551,315	\$ 550,272	\$ 420,802	\$ 414,944
Assigned	29,355	12,687	19,700	-	-	-	-	-	-	-
Committed	-	-	-	26,077	32,309	47,366	33,925	27,266	53,080	37,569
Unassigned	175,530	26,769	21,923	-	-	-	-	-	-	-
Total General Fund	\$ 1,312,657	\$ 1,132,940	\$ 848,407	\$ 863,814	\$ 793,613	\$ 520,325	\$ 585,240	\$ 577,538	\$ 473,882	\$ 452,513
All Other Governmental Funds:										
Unassigned, Reported in:										
Special Revenue Fund	(25,074)	9,055	(6,843)	(20,306)	(12,145)	(8,573)	(7,858)	(7,858)	(5,569)	(5,569)
Capital Projects Fund	-	-	-	-	-	-	-	-	15,657	15,657
Debt Service Fund	3	3	2	-	-	2	1	1	1	1
Total All Other Governmental Funds	\$ (25,071)	\$ 9,058	\$ (6,841)	\$ (20,306)	\$ (12,145)	\$ (8,571)	\$ (7,857)	\$ (7,857)	\$ 10,089	\$ 10,089

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Taxes Local	\$ 3,067,888	\$ 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
Tuition Charges	10,985	-	7,474	66,206	43,816	60,757	48,583	92,499	57,686	-
Interest earnings	80	557	12,206	28,766	12,825	4,439	1,526	215	368	801
Miscellaneous	21,270	19,212	7,756	12,357	3,483	3,749	2,431	8,189	19,985	10,929
State Sources	3,962,030	3,785,487	3,724,017	3,692,871	3,447,511	3,229,755	3,115,971	3,013,866	2,984,104	3,094,558
Federal Sources	594,671	288,417	214,910	234,922	233,267	244,143	259,449	222,220	253,273	248,684
Total Revenue	7,656,924	7,112,381	6,927,686	6,934,508	6,544,295	6,243,632	6,067,301	5,934,514	5,806,373	5,889,684
Expenditures:										
Instruction:										
Regular Instruction	2,483,010	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
Special Education Instruction	515,306	294,473	460,017	847,142	641,411	631,499	684,907	675,908	629,610	519,706
Other Special Instruction	-	-	-	98,854	42,188	23,193	23,234	743	640	38,000
Other Instructional	24,541	24,828	24,369	12,205	15,531	10,741	2,132	2,602	2,819	8,096
School Sponsored	11,102	4,464	16,408	-	-	-	-	-	-	-
Support Services:										
Tuition	42,768	278,265	157,923	97,239	158,492	373,532	343,912	250,281	554,228	545,736
Student & Instruction Related Services	651,699	565,613	711,308	703,648	676,533	669,372	629,193	558,810	436,882	416,865
School Administrative Services	163,713	63,796	71,681	68,831	80,344	72,854	74,431	71,419	68,637	61,103
General & Business Administration Services	380,591	419,831	462,745	262,502	250,082	246,817	251,443	238,355	215,297	259,478
Plant Operations & Maintenance	490,865	518,940	502,935	708,387	438,414	410,439	424,920	413,915	406,559	362,068
Central Services	-	-	-	161,430	157,532	149,947	121,590	125,914	120,340	137,159
Pupil Transportation	419,909	367,293	424,222	392,335	339,750	452,830	388,243	373,423	434,705	383,264
Unallocated Benefits	919,150	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
On Behalf TPAF Pension and Social Security Contributions	1,191,997	1,069,646	892,264	-	-	-	-	-	-	-

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenditures (continued):										
Charter Schools	93,982	121,171	34,082	12,196	24,322	49,390	40,533	8,981	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	5,075	-	150,288	255,320	53,749	52,244	50,801	59,883	48,095	78,140
Debt service:										
Principal	149,984	153,434	105,000	95,000	100,000	100,000	100,000	105,000	65,000	325,000
Interest & Other Charges	39,595	43,183	46,858	32,519	35,682	35,682	40,806	42,981	44,681	54,656
Total Expenditures	7,583,287	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	73,637	210,073	(1,943)	(142,959)	261,857	(62,058)	(5,869)	99,578	3,599	(218,076)
Other Financing Sources/(Uses):										
Prior Year Adjustment	32,523	59,816	-	-	-	-	-	-	(176)	-
Capital Leases	-	-	-	200,000	-	-	-	-	-	-
(Nonbudgeted)	-	-	-	-	-	-	-	-	-	-
Excess Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Transfers in	31,946	-	-	5,000	5,000	-	5,000	11,935	15,481	-
Transfers Out	-	-	-	-	-	-	-	-	(15,481)	-
Total Other Financing Sources/ (Uses)	64,469	59,816	-	205,000	5,000	-	5,000	11,935	(176)	-
Net Change in Fund Balances	\$ 138,106	\$ 269,889	\$ (1,943)	\$ 62,041	\$ 266,857	\$ (62,058)	\$ (869)	\$ 111,513	\$ 3,423	\$ (218,076)
Debt Service as a Percentage of Noncapital Expenditures	2.50%	2.85%	2.24%	1.87%	2.18%	2.17%	2.34%	2.56%	1.91%	6.30%

Source: District Records

EXHIBIT J-5

**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	MISCELLANEOUS	TOTAL
2022	\$ 10,985	\$ 80	\$ 2,849	\$ 13,914
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

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
2022	\$ 193,490,422	\$ 230,426,979	83.97%
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%

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	
2022	N/A	N/A	1.610	0.760	0.089	1.395	3.854
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

Source: Abstract of Ratables, County Board of Taxation

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

TAX PAYER	2022		2013	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
	Not Available		Not Available	
TOTAL	<u>\$ -</u>	<u>0.00%</u>	<u>\$ -</u>	<u>0.00%</u>

SOURCE: MUNICIPAL TAX ASSESSOR

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2022	\$ 3,067,888	\$ 3,067,888	100.00%	-
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%	-

**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)	LOANS PAYABLE			
2022	\$ 485,000	\$ -	\$ 51,573	\$ 536,573	N/A	N/A
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

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		
2022	\$ 485,000	\$ -	\$ 485,000	0.23%	N/A
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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Deerfield Township	\$ 499,401	100.00%	\$ 499,401
County of Cumberland- Township's Share	270,243,520	2.44%	6,585,835
Other Debt:			
County of Cumberland			
Cumberland Regional School District-Township's Share	3,037,000	100.000%	<u>3,037,000</u>
Subtotal, Overlapping Debt			10,122,236
Deerfield Township School District Direct Debt			<u>485,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 10,607,236</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**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	7,195,192	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
Total Net Debt Applicable to Limit	485,000	585,000	686,566	840,000	995,000	927,481	1,063,391	1,197,795	1,330,757	1,467,337
Legal Debt Margin	\$ 6,710,192	\$ 6,484,021	\$ 6,273,517	\$ 5,038,804	\$ 4,845,586	\$ 4,917,947	\$ 4,846,944	\$ 4,845,151	\$ 4,886,355	\$ 4,943,395
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.74%	8.28%	9.86%	14.29%	17.04%	15.87%	17.99%	19.82%	21.40%	22.89%

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis	Total
Average Equalized Valuation of Taxable Property		2021 \$ 210,399,370
		2020 203,922,655
		2019 202,408,689
		<u>\$ 616,730,714</u>
		<u>\$ 205,576,905</u>
Debt Limit (3.5 % of Average Equalization Value)		<u>\$ 7,195,192</u>
Net Bonded School Debt		<u>485,000</u>
Legal Debt Margin		<u>\$ 6,710,192</u>

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

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2022	3,155	N/A	N/A
2021	2,994	N/A	5.2%
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%

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**

2022		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

NOT AVAILABLE

_____		_____
=====		=====

2013		
------	--	--

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	24.0	24.0	23.4	24.2	24.0	23.0	23.0	24.0	22.2	24.0
Special Education	6.0	6.0	6.8	7.1	7.1	5.5	5.5	5.5	5.5	6.5
Support Services:										
Student & Instruction Related Services	2.5	2.5	2.8	4.1	4.5	5.3	4.5	3.5	2.5	3.0
School Administrative Services	3.0	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	2.0	1.6	1.6	1.6	1.6	1.0	1.0	1.0	1.0	1.5
Total	40.5	39.1	39.6	42.0	42.2	39.8	39.0	39.0	36.2	40.0

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
2022	291	6,520,099	22,406	-0.75%	32.0	8:1	281.3	260.3	4.42%	92.53%
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	3.5%	30.2	9:1	265.2	257.9	-12.24%	97.25%
2019	298	6,694,628	22,465	23.52%	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%

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elementary: Deerfield Elementary School	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936
Square Feet										
Capacity (Students)	291	272	268	298	335	321	327	334	331	347
Enrollment										

Number of Schools at June 30, 2022:
Elementary = 1

The capacity was unavailable for 2013-2022

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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Deerfield Township School	98,955	142,216	130,979	351,139	121,503	104,385	95,177	84,976	93,451	30,614
Total School Facilities	\$ 98,955	\$ 142,216	\$ 130,979	\$ 351,139	\$ 121,503	\$ 104,385	\$ 95,177	\$ 84,976	\$ 93,451	\$ 30,614

* 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, 2022**

	COVERAGE	DEDUCTIBLE
School Package Policy - NJ School Insurance Group ERIC South Sub Fund		
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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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, 2022, 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 6, 2023.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 deficiencies in internal control that we consider to be material weaknesses, described in the accompanying schedule of findings and questioned costs as Finding No.'s 2022-001 and 2022-002.

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Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and are described in the accompanying schedule of findings and questioned costs as Finding No's 2022-001 and 2022-002.

School District's Response to Finding

The 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.
Certified Public Accountants & Advisors

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

Medford, New Jersey
March 6, 2023



Certified Public Accountants & Advisors

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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 Federal and State Program

Opinion on Each Major Federal and 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 federal and state programs for the fiscal year ended June 30, 2022. The School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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 federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District’s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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. 2022-002, 2022-003 and 2022-004. Our opinion on each major state program is not modified with respect to these matters.

School District’s Response to Findings

The School District’s response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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
Certified Public Accountants & Advisors

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

Medford, New Jersey
March 6, 2023

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DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL FAIN NUMBER	ASSISTANCE LISTING NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2022	UNEARNED REVENUE AT JUNE 30, 2022	DUE TO GRANTOR AT JUNE 30, 2022
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Enterprise Fund:													
Child Nutrition Cluster:													
Noncash Assistance:													
Food Distribution Program													
COVID-19 National School Breakfast Program	221N304N1099	10.555	Unavailable	\$ 14,188	7/121-6/30/22	\$ -	\$ 14,188	\$ (14,188)	\$ -	\$ -	\$ -	\$ -	\$ -
COVID-19 National School Breakfast Program	221N304N1099	10.553	100-010-3350-028	64,301	7/121-6/30/22	(4,983)	59,205	(64,301)	-	-	(5,096)	-	-
COVID-19 National School Breakfast Program	221N304N1099	10.553	100-010-3350-028	53,727	7/120-6/30/21	(4,983)	64,188	(64,301)	-	-	(5,096)	-	-
COVID-19 National School Lunch Program	221N304N1099	10.555	100-010-3350-028	187,557	7/121-6/30/22	-	172,729	(187,557)	-	-	(14,828)	-	-
COVID-19 National School Lunch Program	221N304N1099	10.555	100-010-3350-028	85,583	7/120-6/30/21	(7,938)	79,938	-	-	-	-	-	-
COVID-19 Emergency Operational Costs Reimbursement	221N304N1099	10.555	100-010-3350-112	6,679	7/121-6/30/22	(7,938)	187,346	(194,236)	-	-	(14,828)	-	-
Total Child Nutrition Cluster				1,242	7/121-6/30/22	(12,921)	265,722	(272,725)	-	-	(19,924)	-	-
COVID-19 Pandemic ERT Food Benefit Program	202222590094	10.649	100-010-3350-115	24,860	3/3120-6/30/21	(12,921)	266,964	(273,967)	-	-	(19,924)	-	-
Total Enterprise Fund				2,862		2,862	-	-	-	-	-	-	2,862
U.S. DEPARTMENT OF THE TREASURY PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
COVID Relief Funds													
COVID-19 Relief Funds	S377A13061	21.019	100-044-5120-495	24,860	3/3120-6/30/21	(12,921)	266,964	(273,967)	-	-	(19,924)	-	-
Total U.S. Department of the Treasury Passed-Through				24,860		2,862	-	-	-	-	-	-	2,862
U.S. DEPARTMENT OF HEALTH, HUMAN SERVICES PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
COVID-19 Relief Funds													
COVID-19 Relief Funds	S435D20027	84.435D	100-034-5120-513	331,771	3/132020-9/30/2023	(36,476)	139,842	(347,171)	-	-	(143,805)	-	-
COVID-19 Relief Funds	S435D20027	84.435D	100-034-5120-513	723,159	3/132020-9/30/2024	-	5,119	(153,339)	-	-	(153,339)	-	-
COVID-19 Accelerated Learning Coach and Educator Support	S435D210027	84.425U	100-034-5120-513	50,000	3/132020-9/30/2024	-	632	(632)	-	-	-	-	-
COVID-19 Mental Health Support Staffing	S435D210027	84.425U	100-034-5120-513	48,000	3/132020-9/30/2024	(36,476)	145,593	(406,261)	-	-	(297,144)	-	-
Total U.S. Department of Health, Human Services Passed-Through				90,576		(85,473)	4,304	(78,178)	-	-	(73,874)	-	-
COVID-19 Relief Funds	S010A210030	84.010	100-034-5064-194	91,176	7/121-9/30/22	(85,473)	85,473	-	-	-	(73,874)	-	-
COVID-19 Relief Funds	S010A200630	84.010	100-034-5064-194	91,176	7/120-9/30/21	(85,473)	89,777	(78,178)	-	-	(73,874)	-	-
Total U.S. Department of Health, Human Services Passed-Through				13,367		(3,767)	3,767	(5,618)	-	-	(5,618)	-	-
COVID-19 Relief Funds	S367A210029	84.367A	100-034-5063-290	11,858	7/120-9/30/21	(3,767)	3,767	(5,618)	-	-	(5,618)	-	-
COVID-19 Relief Funds	S367A200629	84.367A	100-034-5063-290	11,858	7/120-9/30/21	(3,767)	3,767	(5,618)	-	-	(5,618)	-	-
Total U.S. Department of Health, Human Services Passed-Through				10,000		(10,000)	10,000	(3,085)	-	-	(3,085)	-	-
COVID-19 Relief Funds	S424A210031	84.424A	100-034-5063-348	10,000	7/121-9/30/22	(10,000)	10,000	-	-	-	(3,085)	-	-
COVID-19 Relief Funds	S424A200631	84.424A	100-034-5063-348	10,000	7/120-9/30/21	(10,000)	10,000	-	-	-	(3,085)	-	-
Total U.S. Department of Health, Human Services Passed-Through				84,423		(85,272)	30,808	(74,318)	-	-	(43,510)	-	-
COVID-19 Relief Funds	H027A210100	84.027A	100-034-5065-016	14,278	7/121-9/30/22	(85,272)	85,272	-	-	-	-	-	-
COVID-19 Relief Funds	H027A200100	84.027A	100-034-5065-016	14,278	7/120-9/30/21	(85,272)	85,272	-	-	-	-	-	-
COVID-19 Relief Funds	H027A210100	84.027X	100-034-5065-094	2,410	7/121-9/30/22	(2,410)	2,368	-	-	-	(2,410)	-	-
COVID-19 Relief Funds	H173A210114	84.173	100-034-5065-020	2,368	7/120-9/30/21	(2,368)	2,368	-	-	-	(1,213)	-	-
COVID-19 Relief Funds	H173A200114	84.173	100-034-5065-020	2,368	7/120-9/30/21	(2,368)	2,368	-	-	-	(1,213)	-	-
COVID-19 Relief Funds	H173X210114	84.173X	100-034-5065-094	1,213	7/121-9/30/22	-	2,368	(3,623)	-	-	(3,623)	-	-
Total U.S. Department of Health, Human Services Passed-Through				20,718		1,059	133,181	(92,219)	-	-	(47,133)	-	-
COVID-19 Relief Funds	S358S180630	84.358A	Unavailable	20,718	07/01/18-09/30/19	1,059	-	-	-	-	-	-	1,059
COVID-19 Relief Funds	S358S180630	84.358A	Unavailable	20,718	07/01/18-09/30/19	1,059	-	-	-	-	-	-	1,059
Total U.S. Department of Health, Human Services Passed-Through				382,318		(219,890)	382,318	(585,361)	-	-	(426,854)	-	3,921
Total Federal Financial Assistance				649,282		(232,811)	649,282	(859,328)	-	-	(446,778)	-	3,921

DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS UNEARNEED REVENUE) AT JUNE 30, 2022	DUE TO GRANTOR AT JUNE 30, 2022	MEMO	
											BUDGETARY EXPENDITURES	HETUETARY RECEIVABLE
State Department of Education												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 2,152,331	7/1/21-6/30/22	\$ -	\$ 2,152,331	\$ (2,152,331)	\$ -	\$ -	\$ -	\$ -	\$ 205,960	\$ 2,152,331
Special Education Categorical Aid	495-034-5120-089	194,666	7/1/21-6/30/22	-	194,666	(194,666)	-	-	-	-	18,627	194,666
Security Aid	495-034-5120-084	45,634	7/1/21-6/30/22	-	45,634	(45,634)	-	-	-	-	4,367	45,634
Total State Aid Public					2,392,631	(2,392,631)					228,954	2,392,631
Transportation Aid	495-034-5120-014	95,887	7/1/21-6/30/22	-	95,887	(95,887)	-	-	-	-	9,176	95,887
Extraordinary Aid	495-034-5120-044	49,841	7/1/21-6/30/22	-	-	(49,841)	-	-	-	-	-	49,841
Additional Non-Public School Transportation Aid	495-034-5120-014	7,830	7/1/20-6/30/21	(7,830)	7,830	-	-	-	-	-	-	-
Additional Non-Public School Transportation Aid	495-034-5120-014	7,830	7/1/21-6/30/22	-	-	(8,990)	-	-	-	-	-	8,990
Maintenance of Equity	495-034-5120-128	104,829	7/1/21-6/30/22	-	-	(104,829)	-	-	-	-	-	104,829
Reimbursed TPAF Social Security Contribution	495-034-5094-003	174,662	7/1/21-6/30/22	-	165,654	(174,662)	-	-	-	-	-	174,662
Reimbursed TPAF Social Security Contribution	495-034-5094-003	168,603	7/1/20-6/30/21	(8,085)	8,085	-	-	-	-	-	-	-
Noncash Assistance:												
TPAF - Pension Contribution	495-034-5094-002	824,380	7/1/21-6/30/22	-	824,380	(824,380)	-	-	-	-	-	824,380
TPAF - Post Retirement Medical Contribution	495-034-5094-001	192,609	7/1/21-6/30/22	-	192,609	(192,609)	-	-	-	-	-	192,609
TPAF - Long-Term Disability Insurance	495-034-5094-003	346	7/1/21-6/30/22	-	346	(346)	-	-	-	-	-	346
Total General Fund Assistance				(15,915)	3,687,422	(3,844,175)					238,130	3,844,175
Special Revenue Funds:												
Preschool Education Aid	495-034-5120-086	567,991	7/1/21-6/30/22	-	567,991	(167,507)	-	-	400,484	-	56,799	167,507
Total Special Revenue					567,991	(167,507)			400,484		56,799	167,507
State Department of Agriculture												
Enterprise Funds:												
National School Lunch Program	100-010-3350-023	4,411	7/1/21-6/30/22	-	4,070	(4,411)	-	-	(341)	-	-	4,411
National School Lunch Program	100-010-3350-023	4,663	7/1/20-6/30/21	(1,032)	1,032	-	-	-	-	-	-	-
Total Enterprise Fund Assistance				(1,032)	5,102	(4,411)						4,411
Total State Financial Assistance				\$ (16,947)	\$ 4,260,815	\$ (4,016,093)			\$ (173,009)	\$ 400,484	\$ 294,939	\$ 4,016,093
State Financial Assistance Programs not subject to Calculation for Major Program Determinator												
TPAF - Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	824,380	7/1/21-6/30/22	-	-	-	-	-	-	-	-	824,380
TPAF - Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	192,609	7/1/21-6/30/22	-	-	-	-	-	-	-	-	192,609
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-003	346	7/1/21-6/30/22	-	-	-	-	-	-	-	-	346
Total State Financial Assistance subject to Calculation for Major Program Determinator												\$ (2,998,758)

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022.

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, 2022**

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 (\$7,069) for the general fund and (\$33,273) 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	\$ -	\$ 3,837,106	\$ 3,837,106
Special Revenue Fund	594,671	124,924	719,595
Food Service Fund	<u>273,967</u>	<u>4,411</u>	<u>278,378</u>
Total Awards & Financial Assistance	<u>\$ 868,638</u>	<u>\$ 3,966,441</u>	<u>\$ 4,835,079</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, 2022.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued _____ Unmodified _____

Internal control over financial reporting:

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

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

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

Federal Awards

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D200027	COVID-19 ESSER II
84.425U	S425U210027	COVID-19 ARP ESSER, Accelerated Learning Coach and Educator Support, Mental Health Support Staffing

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

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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? _____ yes X 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:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	State Aid-Public: Equalization Aid
495-034-5094-089	Special Education Categorical Aid
495-034-5120-084	Categorical Security Aid
_____	_____
_____	_____
_____	_____
_____	_____

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 Office of School Finance, Department of Education, State of New Jersey.

Finding No. 2022-001:

Criteria of Specific Requirement:

The maintenance of a general ledger accounting record is required by the State Department of Education. This record summarizes all account balances of the District. It should be reconciled monthly to subsidiary records.

Condition:

The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records.

Context:

The general ledger was not reconciled to other District records and as a result material audit adjustments were required.

Cause:

The District was unable to maintain a general ledger due to personnel turnover.

Effect or Potential Effect:

By not maintaining an accurate general ledger, the District risks material misstatements within their records.

Recommendation:

That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary records.

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, 2022**

Section II – Financial Statement Findings (continued):

Finding No. 2022-002:

Criteria of Specific Requirement:

A board of education shall not incur any obligation or approve any payment in excess of the amount appropriated by the board of education in the applicable line item account or program category account per N.J.A.C. 6A:23A-16.10.

Condition:

Budgetary line item account 11-000-291-220 was over-expended in the amount of \$38,192 during the fiscal year despite the Board Secretary's monthly certification to the contrary (N.J.A.C. 6A:23A-16.10).

Context:

Social security expenditures were incorrectly recorded resulting in over-expenditures of \$38,192.

Effect:

The School District did not comply with N.J.A.C. 6A:23A-16.10.

Cause:

Social security expenditures were not properly posted resulting in inaccurate month-end reports utilized to determine over-expenditures. There were budget transfers during the year in the amount of \$44,290 which reduced total budget appropriations. As a result, the social security benefit line (11-000-291-220) was over-expended by \$38,192.

Recommendation:

It is recommended the School District comply with N.J.A.C. 6A:23A-16.10. The Board Secretary should ensure budgetary records are accurate prior to certifying the budgetary line item status.

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, 2022**

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. 2022-002

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

A board of education shall not incur any obligation or approve any payment in excess of the amount appropriated by the board of education in the applicable line item account or program category account per N.J.A.C. 6A:23A-16.10.

Condition

Budgetary line item account 11-000-291-220 was over-expended in the amount of \$38,192 during the fiscal year despite the Board Secretary's monthly certification to the contrary (N.J.A.C. 6A:23A-16.10).

Questioned Costs

None.

Context:

Social security expenditures were incorrectly recorded resulting in over-expenditures of \$38,192.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Finding No. 2022-002 (continued)

Effect

The School District did not comply with N.J.A.C. 6A:23A-16.10.

Cause

Social security expenditures were not properly posted resulting in inaccurate month-end reports utilized to determine over-expenditures. There were budget transfers during the year in the amount of \$44,290 which reduced total budget appropriations. As a result, the social security benefit line (11-000-291-220) was over-expended by \$38,192.

Recommendation

It is recommended the School District comply with N.J.A.C. 6A:23A-16.10. The Board Secretary should ensure budgetary records are accurate prior to certifying the budgetary line item status.

View of Responsible Officials and Planned Corrective Action

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

Finding No. 2022-003

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.A.C. 6A:23A-13.3(g) requires school districts to receive Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers to any administration appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Finding No. 2022-003 (continued)

Condition:

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

Questioned Costs:

None.

Context:

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

Effect:

The District did not comply with N.J.A.C. 6A:23A-13.3(g) requirements.

Cause:

Unknown

Recommendation:

That the District comply with N.J.A.C. 6A:23A-13.3(g) by receiving Commissioner approval or Executive County superintendent as Commissioner’s designee for line item transfers to any administration 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, 2022**

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

Finding No. 2022-004

Information on the State Program:

State Aid Public:

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

Criteria or Specific Requirement:

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

Condition:

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

Questioned Costs:

None.

Context:

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

Effect:

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

Cause

Unknown

Recommendation:

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

View of Responsible Officials:

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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. 2021-001

Condition:

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

Current Status:

The condition has been corrected.

Federal Awards- N/A

State Financial Assistance

Finding No. 2021-002

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 been corrected.

Finding No. 2021-003

Condition:

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

Current Status:

The condition has not been corrected. See Finding No. 2022-004.