

**SCHOOL DISTRICT  
OF  
TOWNSHIP OF DEERFIELD**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Township of Commercial Board of Education**

**Rosenhayn, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**of the**

**Township of Deerfield Board of Education**

**Rosenhayn, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

**Prepared by**

**Deerfield Township Board of Education**

**Finance Department**

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## **INTRODUCTORY SECTION**



# DEERFIELD TOWNSHIP SCHOOL DISTRICT

*Dr. Dina Rossi*  
Superintendent/Principal

*Kelli Manski*  
CST Director/LDT-C

*Joseph Giambri*  
Business Administrator

*Ashleigh Udalovas & Amy Whilden*  
Assistant Principals

December 5, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Deerfield Township Public School District (District) or the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



**1. REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2022-23 fiscal year with a June enrollment of 317 students, which is 26 more than the previous year enrollment. The following details the changes in the student enrollment of the District over the last ten years.

**June 30 Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2022-23	317	8.93%
2021-22	291	7.00%
2020-21	272	1.49%
2019-20	268	(10.07)%
2018-19	298	(11.04)%
2017-18	335	4.36%
2016-17	321	(1.83)%
2015-16	327	(2.10)%
2014-15	334	.91%
2013-14	331	(4.61)%

**2. ECONOMIC CONDITION AND OUTLOOK:**

Deerfield Township continues to be an economically depressed area, which continues to experience limited growth residentially and industrially. It is safe to say that this pattern shall continue.

**3. MAJOR INITIATIVES:**

In 2022 the NJDOE identified the Deerfield Township School as a school in need of comprehensive improvement. The NJDOE Office of Comprehensive Support has supported the District's work to create annual school plans that are intended to ameliorate programs, curriculum, and instruction. The District's annual school plans have consistently identified goals and targets to raise the achievement level of all students particularly in the critical areas of language arts literacy, mathematics, and social/emotional learning. The collaborative work to turn the District's student achievement data around has resulted in a great growth success story for the District.

Curriculum - The district continues to work with the Cumberland County Consortium and local districts to gain access to exemplar frameworks and curricular resources. The district views curricular documents as living documents. These documents are updated annually through the use of Professional Learning Communities, Summer hours and professional development opportunities. The focus for the 2023-2024 school year is creating a more robust modifications opportunities and aligning our curriculum to newly implemented programs in ELA, math and science.

### **3. MAJOR INITIATIVES (CONTINUED):**

#### **Instruction**

- IMSE to teach phonics and decoding skills
- monitor ELA and Math NJSLs progress
- use data to drive instruction
- develop standards-aligned formative assessments
- facilitate high-quality tier one instruction for all students
- provide student-centered, differentiated instruction around grade-level standards
- provide instruction in the least restrictive environment
- enhance after school learning opportunities
- incorporate components of the Danielson Model for effective instruction

#### **Programs/Resources/Other Related Initiatives**

- leverage schoolwide Positive Behavior Support Program
- utilize programs (iReady, Reflex Math, IMSE, and PBSIS) to help close the achievement gap
- utilize iReady Benchmark Assessments and other district data to measure individual student growth as well as efficacy of programs
- continue to utilize all the components in Connect 4 Learning curriculum for Preschool
- use the Early Childhood Environment Rating Scale (ECERS) to guide the Preschool program
- utilize IMSE materials and strategies in grades K-5
- promote reading through "One Book One School" program
- enhanced supplemental support in grades K-1
- enhancing multi-tiered mental health supports

**Child Study Team and Related Services** - The District expanded its inclusion programs in order to serve students with special needs in the least restrictive environment. The district revised teaching and student schedules to increase the number of students in an inclusion setting for the 2023-2024 school year.

**Technology** - Deerfield is a 1:1 district. The staff use Google Classroom extensively for announcements, assignments, assessments and resources. This initiative provides students and families readily available information from school and home. The district uses Clever as a Single Sign On program to alleviate the need for staff and students to remember multiple login credentials. The District uses GoGuardian for filtering, monitoring, and keeping students scholarly while online.

**Danielson Teacher Evaluation** - Deerfield Township School District uses the Danielson Teacher Evaluation model. Goals for the 2022-23 school year include closing the achievement gaps in language arts and math, infusing social and emotional learning that result in a resilient school community, and integrating technology meaningfully.

### **3. MAJOR INITIATIVES (CONTINUED):**

The Danielson Teacher Evaluation Model is used to guide observers to identify areas of effective teaching as they observe individual staff in the classroom setting. Each teacher's practice is evaluated in the same manner and the teacher is provided feedback to enhance further teaching and learning.

Staff not subject to mSGP receive a summative score weighted as follows:

- 15% - Student Growth Objectives
- 85% - Teacher Practice

Staff subject to mSGP receive a summative score weighed as follows:

- 5 % - mSGP
- 70% - Teacher Practice
- 25 % - Student Growth Objectives

**Transportation** - The Deerfield Township School is part of the JPT Consortium.

### **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **5. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

## **7. DEBT ADMINISTRATION:**

At June 30, 2023, the School District had \$1,062,111 in outstanding debt. Of this amount, \$385,000 was for Serial Bonds Payable and \$94,290 is for compensated absences. The District also reported a Net Pension Liability of \$582,821 in accordance with GASB #68 and there was no Right-to-Use Liability.

At June 30, 2023, the School District's overall legal debt margin was \$6,679,118 and the unvoted debt margin was \$6,294,118, or 94% of the total amount permitted by statute.

## **8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **9. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

**11. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Deerfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, and P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

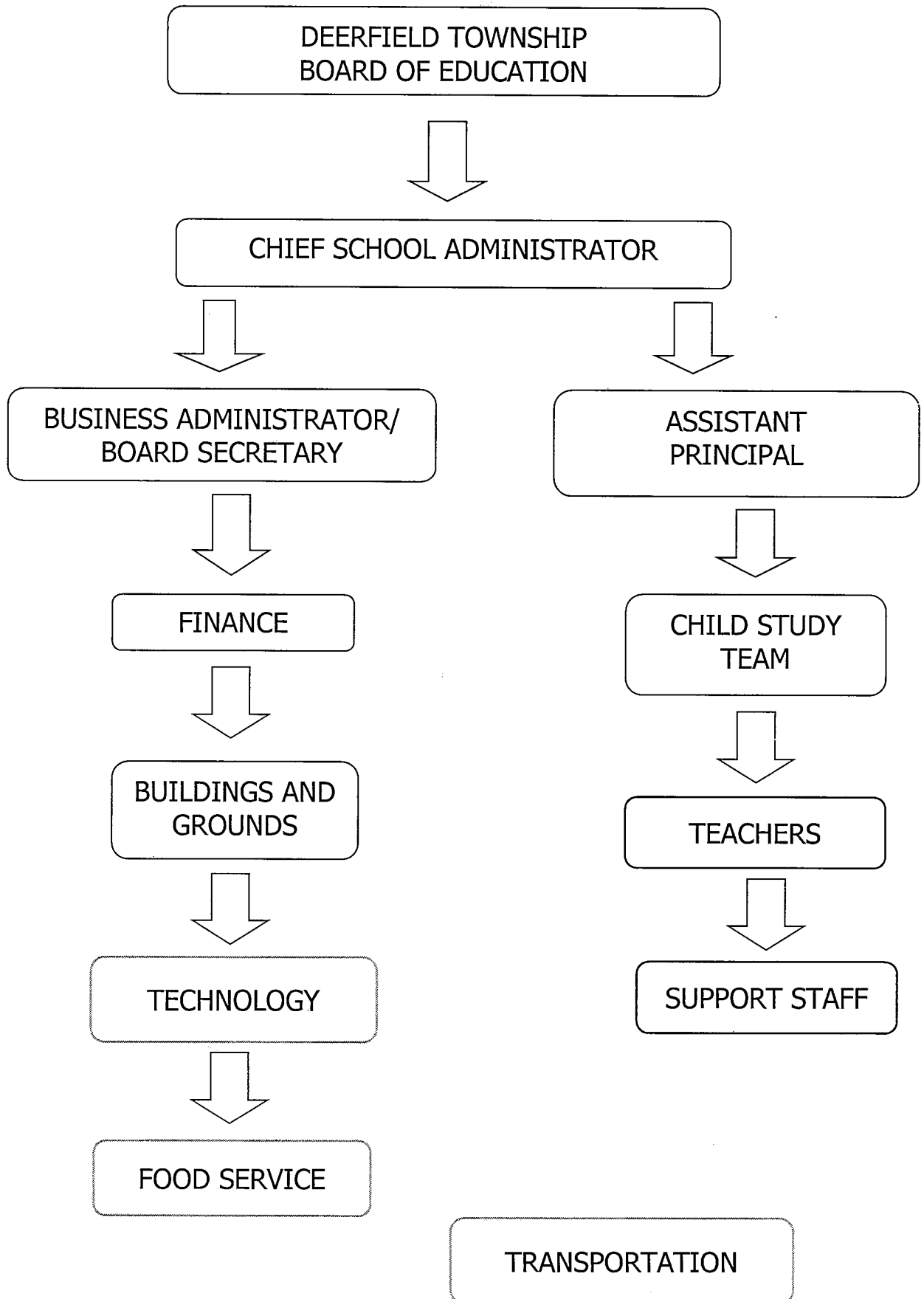
*Dina Rossi*

Dina Rossi  
Superintendent/Principal

*Joseph Giambri Jr.*

Joseph Giambri Jr.  
School Business Administrator/Board Secretary

# DEERFIELD TOWNSHIP BOARD OF EDUCATION ORGANIZATION CHART



DEERFIELD TOWNSHIP BOARD OF EDUCATION  
ROSENHAYN, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Pepi Dragotta, President	2024
John Schwab Vice President	2024
Jenna Harvey	2024
Jason Scythes	2025
Cindy Streater	2025
Adam Vera	2025
Joan Pierce (until Dec)	2023
<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Dr. Dina Rossi, Superintendent/Principal	
Henry Bermann, Board Secretary (To 9/30/22)	\$ 100,000
Joseph Giambri, Board Secretary (From 10/1/22)	150,000
Mark Toscano, Solicitor	
Frank Badessa, Board Treasurer	185,000

**TOWNSHIP OF DEERFIELD BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Manders, Merighi, Portadin and Farrell Architects, LLC**  
1138 E. Chestnut Ave.  
Vineland, New Jersey 08360

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

**Fulton Bank of New Jersey**  
755 Morton Avenue  
Rosenhayn, New Jersey 08352



**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Deerfield Township School District  
County of Cumberland, New Jersey 08349

### **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 Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey'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 Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey, as of June 30, 2023, 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. 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 Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey, and to meet our other 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 the 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.

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 Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently 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 opinions. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey'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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the 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, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of 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 statements and related major fund supporting financial statements 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, as required by the Office of School Finance, Department of Education, State of New Jersey. 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 our 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 December 5, 2023 on our consideration of the Deerfield Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Deerfield Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Deerfield Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 5, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**Deerfield Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023 (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, 2023. 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*.

*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.

**Fund Financial Statements (continued)**

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.

**Table.1 Summary of Net Position for 2023 compared to fiscal year 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Current & Other Assets	\$ 2,505,610	\$ 1,897,274	\$ 608,336	24.3%
Capital Assets, Net	<u>2,622,117</u>	<u>2,731,698</u>	<u>(109,581)</u>	(4.2)%
Total Assets	<u>5,127,727</u>	<u>4,628,972</u>	<u>498,755</u>	9.7%
Deferred Outflow of Resources	113,245	107,330	5,915	5.2%
Current and Other Liabilities	643,947	505,836	138,111	21.5%
Noncurrent Liabilities	<u>1,062,111</u>	<u>1,115,100</u>	<u>(52,989)</u>	(5.0)%
Total Liabilities	<u>1,706,058</u>	<u>1,620,936</u>	<u>85,122</u>	5.0%
Deferred Inflow of Resources	<u>186,800</u>	<u>410,547</u>	<u>(223,747)</u>	(119.8)%
Net Position:				
Net Investment in Capital Assets	2,327,753	2,195,125	132,628	5.7%
Restricted	785,919	1,139,500	(353,581)	45.0%
Unrestricted (Deficit)	<u>234,442</u>	<u>(629,806)</u>	<u>864,248</u>	368.6%
Total Net Position	<u>\$ 3,348,114</u>	<u>\$ 2,704,819</u>	<u>\$ 643,295</u>	19.2%

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

Table 2 Summary of Changes in Net Position for 2023 compared to fiscal year 2022

	June 30, 2023	June 30, 2022	Increase/ (Decrease)	Percentage Change
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ 43,196	\$ 39,556	\$ 3,640	8.4%
Operating Grants & Contributions	1,889,063	2,065,227	(176,164)	(9.3)%
General Revenues:				
Property Taxes	3,113,905	3,067,888	46,017	1.5%
Federal & State Aid	3,224,631	2,645,109	579,522	18.0%
Other General Revenues	53,819	46,437	7,382	13.7%
Total Revenues	<u>\$ 8,324,614</u>	<u>\$ 7,864,217</u>	<u>\$ 460,397</u>	5.5%
<b>Function/Program Expenditures</b>				
Regular Instruction	\$ 2,612,271	\$ 2,483,010	\$ 129,261	4.9%
Special Education Instruction	489,032	515,306	(26,274)	(5.4)%
Other Instruction	25,419	35,643	(10,224)	(40.2)%
Tuition	57,447	42,768	14,679	25.6%
Student & Instruction Related Services	942,180	534,193	407,987	4.3%
Health Services		116,615	(116,615)	(100)%
Educational Media Services		891	(891)	(100)%
General Administrative	198,190	206,643	(8,453)	(4.3)%
School Administrative Services	90,230	163,713	(73,483)	(81.4)%
Central Services	166,397	173,948	(7,551)	(4.5)%
Plant Operations & Maintenance	571,724	495,940	75,784	13.30%
Pupil Transportation	477,543	419,909	57,634	12.10%
Unallocated Benefits	1,466,324	1,401,928	64,396	4.40%
On Behalf Pension & Social Sec.		436,539	(436,539)	(100)%
Transfer to Charter Schools	102,979	93,982	8,997	8.74%
Interest & Other Charges	34,201	70,050	(35,849)	(104.8)%
Unallocated Depreciation	186,695	190,127	(3,432)	(1.8)%
Food Service	260,687	213,565	47,122	18.10%
Total Expenditures	<u>7,681,319</u>	<u>7,594,770</u>	<u>86,549</u>	1.10%
Change in Net Position	643,295	269,447	373,848	58.10%
Net Position - Beginning	2,704,819	2,435,372	269,447	10.00%
Net Position - Ending	<u>\$ 3,348,114</u>	<u>\$ 2,704,819</u>	<u>\$ 643,295</u>	19.20%



### Governmental Activities

During the fiscal year 2023, the net position of governmental activities increased by \$620,278 or 18.5%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$3,156,551, with an unrestricted fund balance of \$54,122. The unrestricted net position is primarily affected by the 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 2% of its adopted budget as unassigned fund balance.

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

**Table 3**

#### **GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (54,122)
Add Back: PERS Pension Liability	582,821
Less: Deferred Outflows related to pensions	(113,245)
Add Back: Deferred Inflows related to pensions	<u>186,800</u>
Unrestricted Net Position (Without GASB 68)	<u><u>\$ 602,254</u></u>

### Business-type Activities

During the fiscal year 2023, the net position of business-type activities increased by \$23,017.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$191,563.

### General Fund Budgeting Highlights

While the District's original general fund budget anticipated using \$524,312 in fund balance, the actual results for the year show an increase of \$392,856, as shown on Exhibit C-1.

- ❖ Actual revenues were \$742,229 more than expected, excluding on-behalf pension, social security and long-term disability reimbursements of \$1,145,897, reflecting positive variances of \$35,818 in local revenues and \$706,411 in state aids.
- ❖ Actual expenditures were \$279,768 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension, social security and long term disability reimbursements of \$1,145,897.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$1,943,643 at June 30, 2023, an increase of \$392,856 from the prior year.

## Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,682,666, an increase of \$395,080 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund increased by \$401,825 to \$1,714,482 at June 30, 2023. 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 \$431,340
- Local Source Revenue increased by \$76,275.
- Transfer were made for \$102,979 to a Charter School and \$26,536 to the Preschool program

*Special revenue fund* – During the current fiscal year, the fund balance of the School District's Special Revenue fund decreased by \$6,743 to (\$31,817) at June 30, 2023, made up by Student Activity funds of \$27,703, offset by the Preschool Program for \$59,520.

*Debt service fund* – During the current fiscal year, the fund balance of the School District's Debt Service fund decreased by \$2 to \$1 at June 30, 2023.

## Proprietary Funds

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund increased by \$23,017 to \$191,563 at June 30, 2023.

## Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2022, 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 2022 balances compared to 2020.

**Table 4 Summary of Capital Assets**

Capital Assets (Net of Depreciation)	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Land	\$ 15,698	\$ 15,698	\$	0.0%
Building and Improvements	2,428,178	2,592,985	(164,807)	(6.8)%
Equipment	178,241	123,015	55,226	31.0%
	<u>\$ 2,622,117</u>	<u>\$ 2,731,698</u>	<u>\$ (109,581)</u>	<u>(4.2)%</u>

The decrease in fixed assets represented Depreciation expense for the year was \$188,540, offset by additions of \$78,959. 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.

### **Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$385,000 which is a decrease of \$100,000 from the prior year. There was also \$94,290 in Compensated Absences and Net Pension Liability of \$582,821. The amount of Unvoted Debt, as of June 30, 2023 is \$6,292,118.

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 Joseph Giambri, School Business Administrator, Deerfield Township School District, PO Box 375, Rosenhayn, New Jersey 08352.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 737,271	\$ 102,543	\$ 839,814
Receivables, Net	1,578,488	83,385	1,661,873
Inventory		3,923	3,923
Restricted Cash and Cash Equivalents			
Capital Assets, Net (Note 5):	2,610,874	11,243	2,622,117
Total Assets	<u>4,926,633</u>	<u>201,094</u>	<u>5,127,727</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	<u>113,245</u>		<u>113,245</u>
<b>LIABILITIES</b>			
Accounts Payable	123,640		123,640
Accrued Interest	1,323		1,323
Unearned Revenue	509,453	9,531	518,984
Non-current Liabilities (Note 7):			
Due Within One Year	100,000		100,000
Due Beyond One Year	962,111		962,111
Total Liabilities	<u>1,696,527</u>	<u>9,531</u>	<u>1,706,058</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	<u>186,800</u>		<u>186,800</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,316,510	11,243	2,327,753
Restricted for:			
Student Activities	27,703		27,703
Other Purposes	758,216		758,216
Unrestricted	54,122	180,320	234,442
Total Net Position	<u>\$ 3,156,551</u>	<u>\$ 191,563</u>	<u>\$ 3,348,114</u>

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 2,612,271	\$	\$ 782,405	\$ (1,829,866)	\$	\$ (1,829,866)
Special Education	489,032			(489,032)		(489,032)
Other Special Instruction	24,274			(24,274)		(24,274)
Other Instruction	1,145			(1,145)		(1,145)
Support Services:						
Tuition	57,447			(57,447)		(57,447)
Student & Instruction Related Services	942,180		234,975	(707,205)		(707,205)
General and Business Administrative Services	198,190			(198,190)		(198,190)
School Administrative Services	90,230			(90,230)		(90,230)
Central Services	166,397			(166,397)		(166,397)
Plant Operations and Maintenance	571,724			(571,724)		(571,724)
Pupil Transportation	477,543			(477,543)		(477,543)
Employee Benefits	1,466,324		631,175	(835,149)		(835,149)
Interest on Long-term Debt	34,201			(34,201)		(34,201)
Unallocated Depreciation	186,695			(186,695)		(186,695)
Total Governmental Activities	7,317,653		1,648,555	(5,669,098)		(5,669,098)
Business-type Activities:						
Food Service	260,687	43,196	240,508		23,017	23,017
Extended Day						
Total Business-type Activities	260,687	43,196	240,508		23,017	23,017
Total Primary Government	\$7,578,340	\$ 43,196	\$ 1,889,063	\$ (5,669,098)	\$ 23,017	\$ (5,646,081)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 2,995,963	\$	\$ 2,995,963
Taxes Levied for Debt Service				117,942		117,942
Federal, State and Local Aid not Restricted				3,224,631		3,224,631
Tuition from Other LEA'S Within the State and Individuals				23,873		23,873
Investment Earnings				2,130		2,130
Miscellaneous Income				27,816		27,816
Special Items:						
Transfer to Charter School				(102,979)		(102,979)
Total General Revenues, Special Items, Extraordinary Items and Transfers				6,289,376		6,289,376
Change in Net Position				620,278	23,017	643,295
Net Position—Beginning				2,536,273	168,546	2,704,819
Net Position—Ending				\$ 3,156,551	\$ 191,563	\$ 3,348,114

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

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.



**GOVERNMENTAL FUNDS**

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 434,508	\$ 27,703	\$ 1	\$ 462,212
Restricted Cash and Cash Equivalents	302,828			302,828
Due from Other Funds	333,139			333,139
State Aid Receivable	725,985	13,267		739,252
Federal Aid Receivable		838,966		838,966
Local District Tax Receivable	270			270
Other Accounts Receivable				-
<b>Total Assets</b>	<b>\$ 1,796,730</b>	<b>\$ 879,936</b>	<b>\$ 1</b>	<b>\$ 2,676,667</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 33,023	\$ 69,899	\$	\$ 102,922
Payroll Deductions Payable	20,669			20,669
Due to Grantor		49		49
Due to Other Funds	28,556	333,139		361,695
Unearned Revenue		508,666		508,666
<b>Total Liabilities</b>	<b>82,248</b>	<b>911,753</b>		<b>994,001</b>
Fund Balances:				
Restricted For:				
Excess Surplus	256,809			256,809
Excess Surplus - Designated for Subsequent Year's Expenditures	289,214			289,214
Debt Service			1	1
Student Activity		27,703		27,703
Capital Reserve	90,636			90,636
Maintenance Reserve	212,192			212,192
Assigned:				
Year-end Encumbrances	26			26
Designated for Subsequent Year's Expenditure	163,715			163,715
Unassigned, Reported in:				
General Fund (Deficit)	701,890			701,890
Special Revenue Fund (Deficit)		(59,520)		(59,520)
<b>Total Fund Balances</b>	<b>1,714,482</b>	<b>(31,817)</b>	<b>1</b>	<b>1,682,666</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,796,730</b>	<b>\$ 879,936</b>	<b>\$ 1</b>	

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 \$7,698,555 and the accumulated depreciation is \$5,087,681 (See Note 5)	2,610,874
Long Term Net Pension Liability	(582,821)
Deferred Pension Outflows	113,245
Deferred Pension Inflows	(186,800)
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,323)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(479,290)
<b>Net Position of Governmental Activities</b>	<b>\$ 3,156,551</b>

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 2,995,963	\$	\$ 117,942	\$ 3,113,905
Tuition from Other LEA's Within the State	23,873			23,873
Interest Earned on Investments	2,130			2,130
Miscellaneous Local Sources	14,355	13,461		27,816
<b>Total - Local Sources</b>	<b>3,036,321</b>	<b>13,461</b>	<b>117,942</b>	<b>3,167,724</b>
State Sources	4,268,446	571,050		4,839,496
Federal Sources		715,647		715,647
<b>Total Revenues</b>	<b>7,304,767</b>	<b>1,300,158</b>	<b>117,942</b>	<b>8,722,867</b>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	1,829,866	782,405		2,612,271
Special Education Instruction	489,032			489,032
Other Special Instruction	24,274			24,274
Other Instruction	1,145			1,145
Support Services:				
Tuition	57,447			57,447
Student & Instruction Related Services	707,205	234,975		942,180
General Administrative Services	198,190			198,190
School Administrative Services	90,230			90,230
Central Services	166,397			166,397
Plant Operations and Maintenance	623,297			623,297
Pupil Transportation	477,543			477,543
Employee Benefits	2,090,962	237,098		2,328,060
Debt Service:				
Interest and Other Charges			17,944	17,944
Principal			100,000	100,000
Capital Outlay	17,839	78,959		96,798
<b>Total Expenditures</b>	<b>6,773,427</b>	<b>1,333,437</b>	<b>117,944</b>	<b>8,224,808</b>
Excess (Deficiency) of Revenues over Expenditures	531,340	(33,279)	(2)	498,059
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfer out - Charter Schools	(102,979)			(102,979)
Transfer to Preschool Program	(26,536)	26,536		
<b>Total Other Financing Sources and Uses</b>	<b>(129,515)</b>	<b>26,536</b>		<b>(102,979)</b>
<b>Net Change in Fund Balances</b>	<b>401,825</b>	<b>(6,743)</b>	<b>(2)</b>	<b>395,080</b>
Fund Balance - July 1 (Deficit)	1,312,657	(25,074)	3	1,287,586
<b>Fund Balance - June 30</b>	<b>\$ 1,714,482</b>	<b>\$ (31,817)</b>	<b>\$ 1</b>	<b>\$ 1,682,666</b>

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

DEERFIELD TOWNSHIP BOARD OF EDUCATION  
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, 2023

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 395,080

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	\$ (186,695)	
Capital Lease Principal paid in Operating Budget	51,573	
Capital Outlays	178,959	
		43,837

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,582

The issuance of Serial Bonds is not a revenue in the Governmental Activities Statements

In the statement of activities, interest on long-term debt is accrued regardless of when it is due.

In the governmental funds, interest is reported when due.

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 179,177

Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

In the statement of activities, certain operating expenses, e.g. compensated absences 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). 602

**Change in Net Position of Governmental Activities (A-2)** \$ 620,278

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

## **PROPRIETARY FUNDS**

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Shared Services Fund</b>
	<b>Food Service</b>	<b>Totals</b>	
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 102,543	\$ 102,543	\$ 787
Interfund Receivable	28,556	28,556	
Accounts Receivable	54,829	54,829	
Inventories	3,923	3,923	
	189,851	189,851	787
Total Current Assets			
Fixed Assets:			
Equipment	123,559	123,559	
Accumulated Depreciation	(112,316)	(112,316)	
	11,243	11,243	
Total Fixed Assets			
Total Assets	201,094	201,094	787
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	5,654	5,654	
Unearned Revenue	3,877	3,877	787
	9,531	9,531	787
Total Current Liabilities			
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	11,243	11,243	
Unrestricted	180,320	180,320	
Total Net Position	\$ 191,563	\$ 191,563	\$

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities -</b>		<b>Shared Services Fund</b>
	<b>Enterprise Fund</b>		
	<b>Food Service</b>	<b>Total Enterprise</b>	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$	\$	\$
Daily Sales - Non-reimbursable Programs	43,196	43,196	
Child Study Fees			
<b>Total Operating Revenue:</b>	<b>43,196</b>	<b>43,196</b>	
Operating Expenses:			
Salaries	63,719	63,719	
Employee Benefits	8,328	8,328	
Supplies and Materials	13,054	13,054	
Depreciation	1,845	1,845	
Cost of Sales	87,863	87,863	
Equipment	74,375	74,375	
Repairs and Other Expenses	11,503	11,503	
<b>Total Operating Expenses</b>	<b>260,687</b>	<b>260,687</b>	
<b>Operating Income (Loss)</b>	<b>(217,491)</b>	<b>(217,491)</b>	
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	452	452	
State School Lunch Program	3,697	3,697	
Federal Sources:			
National School Breakfast Program	31,250	31,250	
National School Lunch Program	119,298	119,298	
Supply Chain Assistance Funding	27,321	27,321	
P-EBT Administrative Cost Reimbursement	653	653	
Clean Energy Grant	26,577	26,577	
Equipment Assistance Grant	20,000	20,000	
Food Distribution Program	11,259	11,259	
Interest	1	1	
<b>Total Non-operating Revenues (Expenses)</b>	<b>240,508</b>	<b>240,508</b>	
<b>Income (Loss) before Contributions &amp; Transfers</b>	<b>23,017</b>	<b>23,017</b>	
Transfer to Unearned Revenue			
<b>Change in Net Position</b>	<b>23,017</b>	<b>23,017</b>	
<b>Total Net Position—Beginning</b>	<b>168,546</b>	<b>168,546</b>	
<b>Total Net Position—Ending</b>	<b>\$ 191,563</b>	<b>\$ 191,563</b>	<b>\$</b>

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Business-type Activities Enterprise Funds		Shared Services Fund
	Food Service	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 43,196	\$ 43,196	\$
Payments to Employees	(63,719)	(63,719)	
Payments for Employee Benefits	(8,328)	(8,328)	
Payments to Suppliers	(212,665)	(212,665)	
Net Cash Provided by (used for) Operating Activities	(241,516)	(241,516)	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	4,149	4,149	
Federal Sources	236,358	236,358	
Operating Subsidies and Transfers to Other Funds			
Net Cash Provided by (used for) Non-capital Financing Activities	240,507	240,507	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets			
Net Cash Provided by (used for) Capital and Related Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	1	1	
Net Cash Provided by (used for) Investing Activities	1	1	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,008)	(1,008)	
Balances—Beginning of Year	103,551	103,551	787
Balances—End of Year	\$ 102,543	\$ 102,543	\$ 787
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (217,491)	\$ (217,491)	\$
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Depreciation and Net Amortization	1,845	1,845	
(Increase) Decrease in Accounts Receivable, Net	(34,564)	(34,564)	
(Increase) Decrease in Inventories	(837)	(837)	
Increase (Decrease) in Accounts Payable	5,654	5,654	
Increase (Decrease) in Due to General			
Increase (Decrease) in Unearned Revenue	3,877	3,877	
Total Adjustments	(24,025)	(24,025)	
Net Cash Provided by (used for) Operating Activities	\$ (241,516)	\$ (241,516)	\$

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$30,570 of food commodities from the U.S. Department of Agriculture.

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



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**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, 2023 of 310 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, 2023.

**Basic financial statements - Government-Wide Financial Statements**

The consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basic financial statements prepared using full-accrual accounting for all of the District's 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. The basic financial statements also include a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**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**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**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**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**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.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

**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.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**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.

**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.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Budgets/Budgetary Control**

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

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

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

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

**Encumbrances**

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

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.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Cash and Cash Equivalents - Continued**

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

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2023 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. At June 30, 2023, there was an Inventory balance of \$3,923, comprised of \$3,832 in Commodities and \$91 allocated to supplies.

**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**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**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.



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**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.

**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 Balances**

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2023.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Fund Balances - Continued**

- **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.

**Impact of Recently Issued Accounting Principles**

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96 – Subscription-Based Information Technology Arrangements was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District’s financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District’s financial statements.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Impact of Recently Issued Accounting Principles**

- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

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

**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, 2023, the District's bank balance of \$980,388 was exposed to custodial credit risk as follows:

	Insured under FDIC and GUDPA	\$	450,702
	Uninsured and Uncollateralized		<u>416,780</u>
		\$	<u>867,482</u>
Unrestricted cash			
Governmental funds, Balance Sheet	B-1		\$ 462,212
Enterprise funds, Statement of Net Position	B-4		102,543
Internal service funds, Statement of Net Position	B-4		787
Restricted cash			
Governmental funds, Balance Sheet	B-1		<u>302,828</u>
Total Cash			<u>\$ 868,370</u>

**Investments**

The District has one investments at June 30, 2023 in the amount of \$200,702.

**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*.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**A. Capital Reserve- Continued**

The activity of the capital reserve for the July 1, 2020 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	90,411
Increased by:		
Interest Earnings		<u>225</u>
Ending Balance, June 30, 2023	\$	<u>90,636</u>

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, which is \$532,500.

**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 reserve is within the maximum of \$354,274, as shown in the M-1.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	211,665
Increased by:		
Interest Earnings		<u>527</u>
Ending Balance, June 30, 202	\$	<u>212,192</u>

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2023 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:

<b>Receivables:</b>	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Enterprise Funds</b>	<b>Internal Service Fund</b>	<b>Total</b>
Governmental	\$ 725,985	\$ 852,233	\$ 54,829	\$	\$ 1,633,047
Other					
Totals	<u>\$ 725,985</u>	<u>\$ 852,233</u>	<u>\$ 54,829</u>	<u>\$ -</u>	<u>\$ 1,633,047</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 5. Capital Assets**

The Capital asset activity for the year ended June 30, 2023 was as follows

	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
<b>Governmental activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 15,698	\$	\$	\$ 15,698
Work in Progress				
Total capital assets not being depreciated	<u>15,698</u>			<u>15,698</u>
Capital Assets Being Depreciated and Amortized				
Building and building improvements	6,346,193			6,346,193
Land improvements	33,768			33,768
Furniture and equipment	1,223,937	78,959		1,302,896
Totals at historical cost	<u>7,603,898</u>	<u>78,959</u>		<u>7,682,857</u>
Less accumulated depreciation and Amortization				
Building and improvements	(3,785,686)	(136,169)		(3,921,855)
Land improvements	(28,895)	(1,033)		(29,928)
Furniture and Equipment	(1,086,405)	(49,493)		(1,135,898)
Total accumulated depreciation and Amortization	<u>(4,900,986)</u>	<u>(186,695)</u>		<u>(5,087,681)</u>
Total capital assets being depreciated and amortized, net of accumulated depreciation and amortization	<u>2,702,912</u>	<u>(107,736)</u>		<u>2,595,176</u>
<b>Government activities capital assets, net</b>	<u>\$ 2,718,610</u>	<u>\$ (107,736)</u>	<u>\$</u>	<u>\$ 2,610,874</u>
	<b>To A-1</b>			<b>To A-1</b>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 123,559	\$	\$	\$ 123,559
Less accumulated depreciation for :				
Equipment	(110,471)	(1,845)		(112,316)
<b>Business-type activities capital assets, net</b>	<u>\$ 13,088</u>	<u>\$ (1,845)</u>	<u>\$</u>	<u>\$ 11,243</u>

\* Depreciation expense was charged to governmental functions as follows:

Instructional	\$
Administration	
Unallocated Depreciation	186,695
Total depreciation expense	<u>\$ 186,695</u>

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

Individual fund receivables/payables balances at June 30, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 312,565	\$
Special Revenue Fund		312,565
Enterprise Fund		
Internal Service Fund		
Total	<u>\$ 312,565</u>	<u>\$ 312,565</u>

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations:

	Beginning Balance 7/1/22	Additions	Reductions	Ending Balance 6/30/23	Amounts	
					Due within One Year	Long-term Portion
<b>Governmental Activities:</b>						
Bonds payable:						
General Obligation Bonds	\$ 485,000	\$	\$ (100,000)	\$ 385,000	\$ 100,000	\$ 285,000
Total Bonds Payable	485,000		(100,000)	385,000	100,000	285,000
Other Liabilities:						
Loans Payable	51,573		(51,573)			
Compensated absences payable	94,892		(602)	94,290		94,290
Net Pension Liability	483,635	99,186		582,821		582,821
Total Other Liabilities	630,100	99,186	(52,175)	677,111		677,111
Total Long-term Obligations	\$ 1,115,100	\$ 99,186	\$ (152,175)	\$ 1,062,111	\$ 100,000	\$ 962,111

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.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**A. Bonds Payable: Continued**

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, 2022 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>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 385,000</u>	<u>\$ 30,835</u>	<u>\$ 415,835</u>

**Bonds Authorized But Not Issued:**

As of June 30, 2023, 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 final payment on this loan was during the 2022-23 fiscal year and therefore, there is no balance due as of June 30, 2023.

**C. Operating Leases**

There were no operating leases requiring right-to-use reporting.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 8. Pension Plans**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are 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.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$43,032. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$48,701 and \$47,811 respectively.

The total payroll for the year ended June 30, 2023 was \$3,600,027. Payroll covered by PERS was \$573,743 for fiscal year 2023.



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

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

**Components of Net Pension Liability** - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$582,821. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.003862% which was a decrease of 0.00022% from its proportion measured as of June 30, 2021.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(67,353). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,207	\$ 3,710
Changes of assumptions	1,806	87,271
Net difference between projected and actual earnings on pension plan investments	24,122	
Changes in proportion	34,409	95,819
Contributions subsequent to the measurement date	48,701	
<b>Total</b>	<b>\$ 113,245</b>	<b>\$ 186,800</b>

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

<u>Year</u>		<u>PERS</u>
2023	\$	(82,131)
2024		14,182
2025		3,372
2026		(57,976)
2027		297
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(122,256)</b>

**Additional Information** - Collective Balances at June 30, 2023 and 2022 are as follows:

<u>Year</u>		<u>2023</u>		<u>2022</u>
Collective deferred outflows of resources	\$	113,245	\$	58,629
Collective deferred inflows of resources	\$	186,800	\$	410,547
Collective Net Pension Liability	\$	582,821	\$	483,635
District's Proportion		0.003862%		0.004083%

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

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

**Actuarial Assumptions** - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 and the nonemployer contributing entity will be 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

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

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2022 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective 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 (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 755,095	\$ 582,821	\$ 445,345

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Teachers' Pension and Annuity Fund**

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 that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are 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.

**Special Funding Situation** - 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, these local participating employers are 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 local participating employers do 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**Components of Net Pension Liability** - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2023, the District recognized pension expense of \$274,195 and revenue of \$274,195 for support provided by the State.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Teachers' Pension and Annuity Fund (continued)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. 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 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$751,489 to the TPAF for pension contributions, \$197,414 for post-retirement benefits on behalf of the School, and \$331 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$196,663 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Actuarial Assumptions** - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases (Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Teachers' Pension and Annuity Fund (continued)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

**Teachers' Pension and Annuity Fund (Continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective 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 (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 11,965,003	\$ 10,188,282	\$ 8,721,513
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

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

**Defined Contribution Retirement Program (DCRP)**

The **Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

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1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$3,713 and the District's employer contribution, recognized in pension expense, was \$2,524. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**Note 9. Postemployment Benefits Other Than Pensions (OPEB)**

**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).

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 9. Postemployment Benefits Other Than Pensions (OPEB) (continued)**

**General Information about the OPEB Plan**

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

**State Health Benefit State Retired Employees Plan:**

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 9. Postemployment Benefits Other Than Pensions (OPEB) (continued)**

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$13,246,736. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the portion attributable to the School District of 0.02616%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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 disables retirees. 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.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 9. Postemployment Benefits Other Than Pensions (OPEB) (continued)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount rate**

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
State of New Jersey	
<b>Balance as of June 30, 2021 Measurement Date</b>	\$ <u>60,007,650,971</u>
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Differences between Expected and Actual experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
<b>Net Changes</b>	<u>(9,361,188,004)</u>
<b>Balance as of June 30, 2022 Measurement Date</b>	\$ <u><u>50,646,462,967</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, 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:

<u>June 30, 2022</u>		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.54%	3.54%	4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

**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, 2022, 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:

<u>June 30, 2022</u>		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 41,862,397,291	50,646,462,966	62,184,866,635

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 9. Postemployment Benefits Other Than Pensions (OPEB) (continued)**

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the School District recognized OPEB expense of \$(7,249). The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes Between Expected and Actual Experience	\$ 2,365,068	\$ (4,044,382)
Changes of Assumptions	2,292,675	(4,508,465)
Difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	176,604	(2,153,300)
Contributions Subsequent to the Measurement Date		
Total	\$ 4,834,347	\$ (10,706,147)

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

Measurement Period Ending June 30,		OPEB
2023	\$	2,442,225
2024		2,442,225
2025		2,442,225
2026		2,537,864
2027		2,287,492
Thereafter		3,388,463
Total	\$	15,540,494

**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, 2023, 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**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**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, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Economic Dependency**

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

**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.  
Syracusa Benefits Program  
403(b) ASP

**Note 15. Compensated Absences**

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

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 15. Compensated Absences (continued)**

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, 2023 is \$94,290.

**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 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, 2023 was \$546,023.

**Note 18. Fund Balance**

**General Fund** – Of the \$1,714,482 General Fund balance at June 30, 2023, \$90,636 has been reserved in the Capital Reserve Account; \$212,192 has been reserved in the Maintenance Reserve Account; \$546,023 is restricted for current year excess surplus; \$289,214 is restricted for excess surplus – designated for subsequent year's expenditures; \$26 is assigned to Encumbrances; \$163,715 is designated for subsequent year's expenditures and \$701,890 is unassigned.

**Special Revenue Fund** – Of the (\$31,817) Special Revenue Fund balance at June 30, 2023, \$27,703 has been reserved for Student Activities and (\$59,520) is unassigned.

**Debt Service Fund** – Of the \$1 Debt Service Fund balance at June 30, 2023 and is restricted for future debt service payments.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR JUNE 30, 2023**

**Note 19. Deficit in Net Position**

**Unrestricted Net Position**

The School District had a deficit in unrestricted net position in the amount of \$701,890) at June 30, 2023. 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, 2023.

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and December 5, 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**

## **BUDGETARY COMPARISON SCHEDULES**



**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,995,963	\$	\$ 2,995,963	2,995,963	\$
Tuition from Other LEA's Within the State				23,873	23,873
Interest on Investments				1,378	1,378
Interest on Investments - Maintenance Reserve	25		25	527	502
Interest on Investments - Capital Reserve	15		15	225	210
Miscellaneous	4,500		4,500	14,355	9,855
<b>Total - Local Sources</b>	<b>3,000,503</b>		<b>3,000,503</b>	<b>3,036,321</b>	<b>35,818</b>
State Sources:					
Equalization Aid	2,070,982		2,070,982	2,070,982	
Categorical Transportation Aid	95,887		95,887	95,887	
Categorical Special Education Aid	194,666		194,666	194,666	
Categorical Security Aid	45,634		45,634	45,634	
Extraordinary Aid				103,321	103,321
Maintenance of Equity				569,306	569,306
Non-Public Transportation Aid				8,424	8,424
Homeless Tuition Reimbursement				25,360	25,360
On-behalf TPAF Pension Contribution				751,489	751,489
On-behalf TPAF Post Retirement Medical Contribution				197,414	197,414
On-behalf TPAF Long-term Disability Contribution				331	331
Reimbursement TPAF Social Security				196,663	196,663
<b>Total - State Sources</b>	<b>2,407,169</b>		<b>2,407,169</b>	<b>4,259,477</b>	<b>1,852,308</b>
Federal Sources:					
Medicaid Assistance (SEMI)					
<b>Total - Federal Sources</b>					
<b>TOTAL REVENUES</b>	<b>\$ 5,407,672</b>	<b>\$</b>	<b>\$ 5,407,672</b>	<b>7,295,798</b>	<b>\$ 1,888,126</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$	\$ 47	\$ 47	\$ 36	\$ 11
Kindergarten	199,742	395	200,137	194,822	5,315
Grades 1-5	877,486	12,353	889,839	889,819	20
Grades 6-8	604,969	(16,033)	588,936	584,693	4,243
Home Instruction:					
Salaries of Teachers	2,500	1,797	4,297	4,276	21
Other Salaries for Instruction		1,100	1,100	474	626
Purchased Professional Educational Services		10,231	10,231	10,230	1
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	30,754	5,077	35,831	35,831	
Purchased Professional Educational Services	2,500	(2,500)			
Other Purchased Services	71,500	(10,154)	61,346	60,735	611
General Supplies	92,131	(43,179)	48,952	48,950	2
Textbooks	2,500	(2,500)			
<b>Total Regular Programs</b>	<b>1,884,082</b>	<b>(43,366)</b>	<b>1,840,716</b>	<b>1,829,866</b>	<b>10,850</b>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers					
Other Salaries for Instructions					
General Supplies					
<b>Total Learning/Language Disabled</b>					
Multiple Disabilities:					
Salaries of Teachers					
Other Salaries for Instruction					
General Supplies					
<b>Total Multiple Disabilities</b>					
Resource Room:					
Salaries of Teachers	\$ 185,822	\$ 28,905	\$ 214,727	\$ 151,317	\$ 63,410
Other Salaries for Instructions	174,953	20,160	195,113	162,373	32,740
General Supplies	2,100	(1,600)	500	487	13
<b>Total Resource Room</b>	<b>362,875</b>	<b>47,465</b>	<b>410,340</b>	<b>314,177</b>	<b>96,163</b>
Preschool Disabilities					
Salaries of Teachers	78,948	(470)	78,478	78,461	17
Other Salaries for Instructions	118,649	(515)	118,134	96,394	21,740
General Supplies	700		700		700
<b>Total Preschool Disabilities</b>	<b>198,297</b>	<b>(985)</b>	<b>197,312</b>	<b>174,855</b>	<b>22,457</b>
<b>TOTAL SPECIAL EDUCATION</b>	<b>561,172</b>	<b>46,480</b>	<b>607,652</b>	<b>489,032</b>	<b>118,620</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	25,064	(895)	24,169	24,169	
General Supplies	700	(320)	380	105	275
<b>Total Basic Skills/Remedial Instruction</b>	<b>25,764</b>	<b>(1,215)</b>	<b>24,549</b>	<b>24,274</b>	<b>275</b>
Bilingual Education - Instruction:					
Salaries of Teachers					
General Supplies					
<b>Total Bilingual Instruction</b>					
School Sponsored Co-curricular Activities:					
Salaries	9,500		9,500		9,500
Supplies and Materials	500	329	829	829	
<b>Total School Sponsored Co-curricular Activities</b>	<b>10,000</b>	<b>329</b>	<b>10,329</b>	<b>829</b>	<b>9,500</b>
School Sponsored Athletics:					
Salaries	10,000		10,000	316	9,684
<b>Total School Sponsored Athletics</b>	<b>10,000</b>		<b>10,000</b>	<b>316</b>	<b>9,684</b>
<b>Total Instruction</b>	<b>2,491,018</b>	<b>2,228</b>	<b>2,493,246</b>	<b>2,344,317</b>	<b>148,929</b>
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	37,240	(4,499)	32,741	32,740	1
Tuition - Co Spec Serv. Didt. & Regional Day Schools	65,000	2,995	67,995	24,707	43,288
<b>Total Undistributed Expenditures - Instruction</b>	<b>102,240</b>	<b>(1,504)</b>	<b>100,736</b>	<b>57,447</b>	<b>43,289</b>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENDITURES: (Continued)</b>					
Attendance and Social Work Services:					
Salaries	\$ 12,423		\$ 12,423	\$ 12,218	\$ 205
Other Purchd Serv		9,830	9,830	9,830	
Supplies and Materials	500		500		500
<b>Total Attendance and Social Work Services</b>	<b>12,923</b>	<b>9,830</b>	<b>22,753</b>	<b>22,048</b>	<b>705</b>
Health Services:					
Salaries	80,689	69,934	150,623	150,623	
Purch Prof/ Tech Services	3,850	(1,378)	2,472	2,087	385
Other Purchased Services	1,000	8,871	9,871	9,871	
Supplies and Materials	11,000	(5,800)	5,200	5,143	57
Other Objects	1,200		1,200	248	952
<b>Total Health Services</b>	<b>97,739</b>	<b>71,627</b>	<b>169,366</b>	<b>167,972</b>	<b>1,394</b>
Speech, OT, PT & Related Services:					
Salaries					
Purchased Prof - Education Services	110,000	3,701	113,701	113,701	
Supplies and Materials		203	203	203	
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>110,000</b>	<b>3,904</b>	<b>113,904</b>	<b>113,904</b>	
Other Support Services - Extraordinary Services:					
Salaries	36,000	6,066	42,066	42,066	
Purchased Prof - Education Services		5,630	5,630	5,630	
<b>Total Other Support Services - Extraordinary Services</b>	<b>36,000</b>	<b>11,696</b>	<b>47,696</b>	<b>47,696</b>	
Other Support Services - Students-Regular Guidance:					
Salaries Other Professional Staff	83,381	(837)	82,544	80,744	1,800
Other Purchased Services	1,000	(1,000)			
Supplies and Materials	500	(461)	39	39	
Other Objects	250	(250)			
<b>Total Other Support Services - Students-Regular Guidance</b>	<b>85,131</b>	<b>(2,548)</b>	<b>82,583</b>	<b>80,783</b>	<b>1,800</b>
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	74,276	14,643	88,919	88,919	
Salaries of Secretarial and Clerical Asstants	30,056	7,285	37,341	37,341	
Purchased Professional - Educational Services	33,600	(237)	33,363	33,363	
Misch Purch		4,216	4,216	4,215	1
Supplies and Materials	700	376	1,076	1,076	
Other Objects	500	(500)			
<b>Total Other Support Services - Students- Child Study Teams</b>	<b>139,132</b>	<b>25,783</b>	<b>164,915</b>	<b>164,914</b>	<b>1</b>
Improvement of Instructional Services:					
Salaries Superv of Instr	42,500		42,500	42,500	
Salaries of Other Professional Staff		28,500	28,500	28,380	120
Salaries of Secretarial and Clerical Assistants	24,815	(8,300)	16,515	16,470	45
Supplies and Materials	500	(500)			
<b>Total Improvement of Instructional Services</b>	<b>67,815</b>	<b>19,700</b>	<b>87,515</b>	<b>87,350</b>	<b>165</b>
Educational Media Services/School Library:					
Supplies and Materials	2,000	(1,212)	788	788	
<b>Total Educational Media Services/School Library</b>	<b>2,000</b>	<b>(1,212)</b>	<b>788</b>	<b>788</b>	

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Undistributed Expenditures:</b>					
Instructional Staff Training Services:					
Salaries - Supervisor of Instruction	\$ 21,750	\$ 48	\$ 21,798	\$ 21,750	\$ 48
Supplies and Materials	500	(500)			
<b>Total Inst. Staff Training Services</b>	<b>22,250</b>	<b>(452)</b>	<b>21,798</b>	<b>21,750</b>	<b>48</b>
Support Services General Administration:					
Salaries	32,150	2,119	34,269	34,267	2
Legal Services	35,000	(22,542)	12,458	9,656	2,802
Audit Fees	24,500	7,000	31,500	31,500	
Architectural/Engineering Services	15,000	(10,000)	5,000	2,969	2,031
Other Purchased Professional Services	52,000	13,531	65,531	64,332	1,199
Purchased Technical Services	13,500	(13,450)	50	50	
Communication/Telephone	24,250	5,725	29,975	26,997	2,978
Travel - All Other		170	170	170	
BOE Other Purchased Services	2,500	(215)	2,285	806	1,479
Miscellaneous Purchased Services	21,000	699	21,699	21,698	1
General Supplies	5,000	(2,199)	2,801	80	2,721
Miscellaneous Expenditures	2,500	965	3,465	3,465	
BOE Membership Dues and Fees	3,500		3,500	2,200	1,300
<b>Total Support Services General Administration</b>	<b>230,900</b>	<b>(18,197)</b>	<b>212,703</b>	<b>198,190</b>	<b>14,513</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	66,250	(1,400)	64,850	64,850	
Salaries of Other Prof Staff		33	33		33
Salaries of Secretarial and Clerical Assistants	15,403	2,851	18,254	18,254	
Purchased Professional and Technical Services	3,500	2,342	5,842	5,842	
Other Purchased Services	2,500	(1,615)	885	563	322
Supplies and Materials	2,500	(1,746)	754	721	33
Other Objects	3,000	(3,000)			
<b>Total Support Services School Administration</b>	<b>93,153</b>	<b>(2,535)</b>	<b>90,618</b>	<b>90,230</b>	<b>388</b>
Central Services:					
Salaries	124,374	(104)	124,270	124,269	1 <sup>y</sup>
Purchased Professional Services	2,000	1,795	3,795	3,795	
Purchased Technical Services	13,500	20,624	34,124	34,123	1
Miscellaneous Purchased Services	4,250	(3,904)	346	298	48
Supplies and Materials	3,500	337	3,837	3,837	
Interest on Lease Purchase Agreements	3,000		3,000		3,000
Miscellaneous Expenditures	1,200	(1,125)	75	75	
<b>Total Central Services</b>	<b>151,824</b>	<b>17,623</b>	<b>169,447</b>	<b>166,397</b>	<b>3,050</b>
Admin. Info. Technology:					
Other Purchased Services	12,000	(12,000)			
<b>Total Admin. Info. Technology</b>	<b>12,000</b>	<b>(12,000)</b>			
Required Maintenance for School Facilities:					
Salaries	52,866	2,500	55,366	55,366	
Cleaning, Repair and Maintenance Services	125,000	(72,010)	52,990	38,905	14,085
Lead Testing of Drinking Water	5,000	(2,500)	2,500		2,500
General Supplies	17,960	(8,245)	9,715	7,615	2,100
<b>Required Maintenance for School Facilities:</b>	<b>200,826</b>	<b>(80,255)</b>	<b>120,571</b>	<b>101,886</b>	<b>18,685</b>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Custodial Services:					
Salaries	\$ 13,967	\$ (7,273)	\$ 6,694	\$ 6,612	\$ 82
Purchased Professional and Technical Services	175,000	27,751	202,751	202,741	10
Cleaning, Repair, and Maintenance Services	7,500	12,312	19,812	19,812	
Other Purchased Property Services	58,234	(5,000)	53,234	53,233	1
Insurance	32,000	(41)	31,959	31,506	453
Miscellaneous Purchased Services	500	86	586	586	
General Supplies	8,500	8,228	16,728	12,768	3,960
Energy (Natural Gas)	45,000	(16,208)	28,792	28,792	
Energy (Electricity)	125,000	(13,000)	112,000	111,565	435
Other Objects	1,000		1,000		1,000
<b>Total Custodial Services</b>	<b>466,701</b>	<b>6,855</b>	<b>473,556</b>	<b>467,615</b>	<b>5,941</b>
Care and Upkeep of Grounds:					
Salaries	12,967	534	13,501	13,501	
Cleaning, Repair and Maintenance Services		1,190	1,190.00	1,190	
General Supplies	2,500	(1,724)	776	611	165
<b>Total Care and Upkeep of Grounds</b>	<b>15,467</b>		<b>15,467</b>	<b>15,302</b>	<b>165</b>
Security:					
Purchased Professional and Technical Services		7,165	7,165	7,165	
Cleaning, Repair and Maintenance Services	32,400	(32,400)			
General Supplies		33,329	33,329	31,329	2,000
<b>Total Security</b>	<b>32,400</b>	<b>8,094</b>	<b>40,494</b>	<b>38,494</b>	<b>2,000</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>715,394</b>	<b>(65,306)</b>	<b>650,088</b>	<b>623,297</b>	<b>26,791</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transp. - Other than Between Home & Sch	15,664	2,465	18,129	18,128	1
Management Fee - ESC & CTSA Trans. Program		11,340	11,340	11,340	
Contract. Services - Aid in Lieu of Payments - Nonpublic	32,000	(7,000)	25,000	24,868	132
Contract. Services - Aid in Lieu of Payments - Charter Sch	8,000	(3,900)	4,100	4,088	12
Contract. Services - Aid in Lieu of Payments - Choice Sch.	30,000	(5,440)	24,560	24,559	1
Contracted Services (Home/School) - Vendor		14,695	14,695	14,695	
Contracted Services (Other Than Bet Home & Sch) Vendor	12,500	(12,500)			
Cont. Serv. ( Bet Home & Sch) Joint Agreemts.	215,000	39,000	254,000	253,972	28
Contracted Services (Special Ed. Stud) - ECS	235,000	(92,055)	142,945	125,893	17,052
<b>Total Student Transportation Services</b>	<b>548,164</b>	<b>(53,395)</b>	<b>494,769</b>	<b>477,543</b>	<b>17,226</b>
Unallocated Benefits:					
Social Security Contributions	45,900	14,782	60,682	60,682	
Other Retirement Contributions - PERS	43,923	7,553	51,476	51,107	369
Unemployment Compensation	8,500	5,373	13,873	13,873	
Workers Compensation	35,000	(4,639)	30,361	30,360	1
Health Benefits	728,578	33,076	761,654	761,596	58
Tuition Reimbursement	10,000	(5,925)	4,075	4,075	
Other Employee Benefits	20,000	3,373	23,373	23,372	1
Unused Sick Pay - Terminated/Retired Staff	10,000	(10,000)			
<b>Total Unallocated Benefits</b>	<b>901,901</b>	<b>43,593</b>	<b>945,494</b>	<b>945,065</b>	<b>429</b>
On-behalf TPAF Pension Contributions				751,489	(751,489)
On-behalf TPAF Post Retirement Medical Contribution				197,414	(197,414)
On-behalf TPAF Long-term Disability Contribution				331	(331)
Reimbursement TPAF Social Security				196,663	(196,663)
<b>Total Personal Services - Employee Benefits</b>	<b>901,901</b>	<b>43,593</b>	<b>945,494</b>	<b>2,090,962</b>	<b>(1,145,468)</b>
<b>Total Undistributed Expenditures</b>	<b>3,328,566</b>	<b>46,607</b>	<b>3,375,173</b>	<b>4,411,271</b>	<b>(1,036,098)</b>
Interest Earned on Maintenance Reserve	25		25		25
Interest Earned on Emergency Reserve					
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>5,819,609</b>	<b>48,835</b>	<b>5,868,444</b>	<b>6,755,588</b>	<b>(887,144)</b>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
Interest Deposit to Capital Reserve	\$ 15		\$ 15		\$ 15
Equipment:					
Undistributed Expenditures Instruction Kindergarten	20,741	259	21,000		21,000
Total Equipment	20,741	259	21,000		21,000
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	17,839		17,839	17,839	
Total Facilities Acquisition and Construction Services	17,839		17,839	17,839	
<b>TOTAL CAPITAL OUTLAY</b>	<b>38,595</b>	<b>259</b>	<b>38,854</b>	<b>17,839</b>	<b>21,015</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,858,204</b>	<b>\$ 49,094</b>	<b>\$ 5,907,298</b>	<b>\$ 6,773,427</b>	<b>\$ (866,129)</b>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (450,532)	\$ (49,094)	\$ (499,626)	\$ 522,371	\$ 1,021,997
Other financing sources (uses):					
Operating Transfer out - Charter Schools	(73,780)	(29,199)	(102,979)	(102,979)	
Transfer to Preschool Program		(26,536)	(26,536)	(26,536)	
Total Other Financing Sources	(73,780)	(55,735)	(129,515)	(129,515)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(524,312)	(104,829)	(629,141)	392,856	1,021,997
Fund Balances, July 1	1,550,787		1,550,787	1,550,787	
Fund Balances, June 30	\$ 1,026,475	\$ (104,829)	\$ 921,646	\$ 1,943,643	\$ 1,021,997
<b>RECAPITULATION :</b>					
<b>Reserved:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus				\$ 256,809	
Excess Surplus - Designated for Subsequent Year's Expenditures				289,214	
Capital Reserve				90,636	
Maintenance Reserve				212,192	
<b>Assigned:</b>					
Encumbrances				26	
Designated for Subsequent Year's Expenditures				163,715	
<b>Unassigned Fund Balance</b>				<b>931,051</b>	
				<b>1,943,643</b>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(229,161)	
Fund Balance per Governmental Funds (GAAP)				<b>\$ 1,714,482</b>	

**DEERFIELD TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ 1,349,937	\$ 161,475	\$ 1,511,412	\$ 751,547	\$ 759,865
State Sources	688,883	(59,666)	629,217	573,771	55,446
Local Sources		18,595	18,595	13,573	5,022
<b>Total Revenues</b>	<u>2,038,820</u>	<u>120,404</u>	<u>2,159,224</u>	<u>1,338,891</u>	<u>820,333</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	615,253	(135,863)	479,390	358,832	120,558
Salaries - Other Instruction	88,116	9,162	97,278	97,278	
Purchased Professional Ed Services	14,675	(12,451)	2,224	1,400	824
Other Purchased Services		162,847	162,847	7,596	155,251
Tuition	78,000	5,875	83,875	83,869	6
General Supplies	930,659	(486,738)	443,921	250,723	193,198
Other Objects		10,787	10,787		10,787
<b>Total Instruction</b>	<u>1,726,703</u>	<u>(457,168)</u>	<u>1,280,322</u>	<u>799,698</u>	<u>480,624</u>
<b>Support Services</b>					
Salaries	82,500	(69,050)	13,450	7,164	6,286
Other Salaries for Instruction		85,140	85,140	72,950	12,190
Purchased Professional Ed Services	25,000	141,476	166,476	67,084.00	99,392
Personal Services-Employee Benefits	166,272	101,340	267,612	237,098	30,514
Purchased Property Services		14,546	14,546	8,058	6,488
Other Purchased Services		94,072	94,072	41,487	52,585
Student Activity		14,595	14,595	14,595	
Supplies and Materials		46,690	46,690	23,495	23,195
<b>Total Support Services</b>	<u>273,772</u>	<u>428,809</u>	<u>702,581</u>	<u>471,931</u>	<u>230,650</u>
<b>Facilities Acquisition and Construction Services:</b>					
Construction Services					
Instructional Equipment	38,345	64,386	102,731	67,672	35,059
Non-Instructional Equipment			73,590	30,148	43,442
<b>Total Facilities Acquisition and Construction Services</b>	<u>38,345</u>	<u>64,386</u>	<u>176,321</u>	<u>97,820</u>	<u>78,501</u>
Total Expenditures	<u>2,038,820</u>	<u>120,404</u>	<u>2,159,224</u>	<u>1,369,449</u>	<u>789,775</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>2,038,820</u>	<u>120,404</u>	<u>2,159,224</u>	<u>1,369,449</u>	<u>789,775</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	\$	\$	\$	\$ (30,558)	\$ (30,558)
Transfer from General Fund				\$ 26,536	\$ 26,536
Fund Balance, July 1				31,725	31,725
Fund Balance, June 30				\$ 27,703	\$ 27,703

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 7,295,798	[C-2] \$ 1,338,891
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Current Year Prior Year	(39,511) 3,499
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	238,130	56,799
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(229,161)	(59,520)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>[B-2] \$ 7,304,767</u>	<u>[B-2] \$ 1,300,158</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 6,773,427	[C-2] \$ 1,369,449
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are 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.	Current Year Prior Year	3,499 (39,511)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>[B-2] \$ 6,773,427</u>	<u>[B-2] \$ 1,333,437</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten 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>	<u>2013</u>
District's Proportion of the Net Pension Liability		0.013733%	0.013670%	0.014369%	0.011482%	0.010584%	0.011195%	0.009752%	0.008918%	0.010221%
District's Proportionate Share of the Net Pension Liability	\$	\$ 1,626,926	\$ 2,229,266	\$ 2,589,130	\$ 2,260,673	\$ 2,463,800	\$ 3,315,645	\$ 2,189,127	\$ 1,669,768	\$ 1,953,483
District's Covered-Employee Payroll	\$	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038	\$ 585,437
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	#DIV/0!	191.60%	252.47%	278.85%	234.69%	274.26%	481.51%	301.43%	228.72%	333.68%
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%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten 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>	<u>2013</u>
Contractually Required Contribution	\$	\$ 160,834	\$ 149,546	\$ 141,244	\$ 115,521	\$ 100,051	\$ 99,993	\$ 83,841	\$ 73,522	\$ 77,015
Contributions in relation to the Contractually Required Contribution	-	(160,834)	(149,546)	(141,244)	(115,521)	(100,051)	(99,993)	(83,841)	(73,522)	(77,015)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038	\$ 585,437
Contributions as a Percentage of Covered-Employee Payroll	#DIV/0!	18.94%	16.94%	15.21%	11.99%	11.14%	14.52%	11.54%	10.07%	13.16%

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten 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>	<u>2013</u>
District's Proportion of the Net Pension Liability		0.033995%	0.039535%	0.036567%	0.034568%	0.036384%	0.033106%	0.033840%	0.038948%	0.041561%
District's Proportionate Share of the Net Pension Liability	\$	\$ 16,343,151	\$ 26,033,233	\$ 22,441,303	\$ 21,991,636	\$ 24,531,414	\$ 26,043,054	\$ 21,388,041	\$ 20,816,478	\$ 21,004,378
District's Covered-Employee Payroll	\$	\$ 3,478,287	\$ 3,450,001	\$ 3,562,595	\$ 3,618,513	\$ 4,153,556	\$ 3,751,844	\$ 3,436,632	\$ 3,392,779	\$ 3,147,850
District's Proportionate Share of the Net Pension Liability as a percentage of Its Covered-Employee Payroll	#DIV/0!	469.86%	754.59%	629.91%	607.75%	590.61%	694.14%	622.35%	613.55%	667.26%
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%	33.84%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>						
Service Cost	\$	\$ 1,398,161	\$ 871,681	\$ 789,988	\$ 739,005	\$ 893,343
Interest Cost		550,125	561,000	677,692	725,198	628,014
Changes of Benefit Terms		(22,572)				
Differences Between Expected and Actual Experiences		(4,109,873)	3,056,720	(2,831,237)	(1,868,613)	
Changes of Assumptions		20,922	4,345,478	228,959	(1,944,865)	(2,707,163)
Member Contributions		14,064	12,553	13,973	15,663	16,832
Gross Benefit Payments		(433,344)	(414,151)	(471,382)	(453,183)	(457,099)
<b>Net Change in Total OPEB Liability</b>	-	(2,582,517)	8,433,281	(1,592,007)	(2,786,795)	(1,626,073)
<b>Total OPEB Liability - Beginning</b>	21,206,729	23,789,246	15,355,965	16,947,972	19,734,767	21,360,840
<b>Total OPEB Liability - Ending</b>	\$ 21,206,729	\$ 21,206,729	\$ 23,789,246	\$ 15,355,965	\$ 16,947,972	\$ 19,734,767
<b>Covered-Employee Payroll</b>	\$ -	\$ 4,327,398	\$ 4,332,971	\$ 4,491,088	\$ 4,581,791	\$ 5,051,902
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	#DIV/0!	490.06%	549.03%	341.92%	369.90%	390.64%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

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

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	ESEA					IDEA		Equalization Stabilization Fund				Sub-Total Per E-1 (2)	Totals		
	Title I Part A	SIA	Title II ESEA	Title II Carry - over	Title IV Carry - over	I.D.E.A. Part B Basic	I.D.E.A. Pre- School	ARP Consolidated		CRRSA Consolidated			2023	2022	
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023			ARP ESSER	HCY II	CRRSA ESSER II	CR ACC Learning				CR Mental Health
<b>REVENUES:</b>															
Federal Sources	\$ 149,791	\$ 3,652	\$ 7,115	\$ 10,870	\$ 7,983	\$ 83,869	\$ 2,664	\$ 244,461	\$ 3,203	\$ 191,448	\$ 6,164	\$ 17,639	\$ 22,688	\$ 751,547	\$ 585,361
State Sources													573,771	573,771	167,507
Local Sources													13,573	13,573	18,421
<b>Total Revenues</b>	<b>149,791</b>	<b>3,652</b>	<b>7,115</b>	<b>10,870</b>	<b>7,983</b>	<b>83,869</b>	<b>2,664</b>	<b>244,461</b>	<b>3,203</b>	<b>191,448</b>	<b>6,164</b>	<b>17,639</b>	<b>610,032</b>	<b>1,338,891</b>	<b>771,289</b>
<b>EXPENDITURES:</b>															
Instruction:															
Salaries of Teachers	56,393									71,783	6,044	8,131	216,481	358,832	230,983
Salaries - Other Instruction													97,278	97,278	
Purchased Professional Ed Services													1,400	1,400	5,085
Other Instruction													-	-	
Other Purchased Services								5,818					1,778	7,596	
Tuition						83,869								83,869	127,519
Supplies and Materials							2,664						21,811	24,475	
Instructional Supplies					7,983			158,369		37,953		989	5,002	210,296	
General Supplies	15,952													15,952	310,686
<b>Total Instruction</b>	<b>72,345</b>				<b>7,983</b>	<b>83,869</b>	<b>2,664</b>	<b>164,187</b>		<b>109,736</b>	<b>6,044</b>	<b>9,120</b>	<b>343,750</b>	<b>799,698</b>	<b>674,273</b>
Support Services:															
Salaries			632									6,532		7,164	
Clerical Salaries															
Other Salaries													72,950	72,950	
Personal Services-Employee Benefits	76,879									17,633			142,586	237,098	51,763
Purchased Professional Technical Services															
Purchased Professional Ed Services			4,483	10,870				25,446					26,285	67,084	945
Cleaning/Repair & Maint															
Purchased Property Services										1,530			6,528	8,058	
Other Purchased Services		2,400	2,000					3,390		32,693			1,004	41,487	4,056
Student Activity													14,595	14,595	17,449
Supplies and Materials	567	1,252						2,429	3,203	3,630	120	1,987	10,307	23,495	16,756
<b>Total Support Services</b>	<b>77,446</b>	<b>3,652</b>	<b>7,115</b>	<b>10,870</b>				<b>31,265</b>	<b>3,203</b>	<b>55,486</b>	<b>120</b>	<b>8,519</b>	<b>274,255</b>	<b>471,931</b>	<b>90,969</b>
Facilities Acquisition/Construction:															
Buildings															
Instructional Equipment								18,861		26,226			22,585	67,672	5,075
Non Instructional Equipment								30,148						30,148	
<b>Total Facilities Acquisition/Construction</b>										<b>26,226</b>			<b>22,585</b>	<b>97,820</b>	<b>5,075</b>
<b>Total Expenditures</b>	<b>\$ 149,791</b>	<b>\$ 3,652</b>	<b>\$ 7,115</b>	<b>\$ 10,870</b>	<b>\$ 7,983</b>	<b>\$ 83,869</b>	<b>\$ 2,664</b>	<b>\$ 244,461</b>	<b>\$ 3,203</b>	<b>\$ 191,448</b>	<b>\$ 6,164</b>	<b>\$ 17,639</b>	<b>\$ 640,590</b>	<b>\$ 1,369,449</b>	<b>\$ 770,317</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures													\$ (30,558)	\$ (30,558)	\$ 972
Transfer from General Fund													26,536	26,536	
Fund Balance, July 1													31,725	31,725	30,753
Fund Balance, June 30													<u>\$ 27,703</u>	<u>\$ 27,703</u>	<u>\$ 31,725</u>





**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 216,482	\$ 216,481	\$ 1
Other Salaries for Instruction	97,278	97,278	
Purchased Prof/ Educ Services	247		247
Other Purchased Services	2,043	1,778	265
Supplies & Materials	6,949	5,525	1,424
<b>Total Instruction</b>	<b>322,999</b>	<b>321,062</b>	<b>1,937</b>
<b>Support Services:</b>			
Salaries of Principals/Assist. Principal Program Directors	85,140	72,950	12,190
Personal Services - Employee Benefits	153,872	142,586	11,286
Other Purchased Services	26,286	26,285	1
Other Purchased Professional Services	16,866	1,004	15,862
Supplies & Materials	569	568	1
<b>Total Support Services</b>	<b>282,733</b>	<b>243,393</b>	<b>39,340</b>
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment	23,485	22,585	900
Non Instructional Equipment			
<b>Total Facilities Acquisition and Const. Services</b>	<b>23,485</b>	<b>22,585</b>	<b>900</b>
<b>Contribution to Charter Schools</b>			
<b>Total Expenditures</b>	<b>\$ 629,217</b>	<b>\$ 587,040</b>	<b>\$ 42,177</b>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 595,199	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	400,484	(2)
Add: Budgeted Transfer from the General Fund 2022-2023	26,536	(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	1,022,219	(4)
Less: 2022-2023 Budgeted Preschool Education Aid ( including prior year budget carryover)	(629,217)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	393,002	(6)
Add: June 30, 2023 Unexpended Preschool Education Aid	42,177	(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund	(6,830)	(8)
2022-2023 Carryover - Preschool Education Aid Programs	435,179	(9)
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024	\$ _____	(10)

The Board should consider appropriating this additional carry-over into the 2023-2024 budget \$ 435,179

## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>Food Service Enterprise Fund</u>	<u>Totals</u>	
		<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 102,543	\$ 102,543	\$ 103,551
Accounts Receivable:			
State	27,387	27,387	341
Federal	27,442	27,442	19,924
Interfund Receivable	28,556	28,556	28,556
Inventories	3,923	3,923	3,086
Total Current Assets	<u>189,851</u>	<u>189,851</u>	<u>155,458</u>
Fixed Assets:			
Equipment	123,559	123,559	123,559
Accumulated Depreciation	(112,316)	(112,316)	(110,471)
Total Fixed Assets	<u>11,243</u>	<u>11,243</u>	<u>13,088</u>
Total Assets	<u>201,094</u>	<u>201,094</u>	<u>168,546</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	5,654	5,654	
Unearned Revenue	3,877	3,877	
Total Current Liabilities	<u>9,531</u>	<u>9,531</u>	
<b>NET POSITION:</b>			
Invested in Capital Assets Net of Related Debt	11,243	11,243	13,088
Unrestricted	180,320	180,320	155,458
Total Net Position	<u>\$ 191,563</u>	<u>\$ 191,563</u>	<u>\$ 168,546</u>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	Food Service Enterprise Fund	Totals	
		2023	2022
<b>OPERATING REVENUES:</b>			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$	\$	\$
Miscellaneous			7,610
Total Daily Sales - Reimbursable Programs			
Daily Sales Non-Reimbursable Programs	43,196	43,196	
Total Operating Revenue	43,196	43,196	
<b>OPERATING EXPENSES:</b>			
Salaries	63,719	63,719	
Employee Benefits	8,328	8,328	
Supplies and Materials	13,054	13,054	1,080
Depreciation	1,845	1,845	1,846
Cost of Sales - Reimbursable Programs	74,805	74,805	
Cost of Sales - Non-Reimbursable Programs	13,058	13,058	
Purchased Services			209,454
Other Supplies	74,375	74,375	
Repairs and Other Expenses	11,503	11,503	1,185
Total Operating Expenses	260,687	260,687	213,565
Operating Income (Loss)	(217,491)	(217,491)	(205,955)
Non-Operating Revenues:			
State Sources:			
State School Breakfast Program	452	452	
State School Lunch Program	3,697	3,697	4,411
Federal Sources:			
School Breakfast Program	31,250	31,250	64,301
National School Lunch Program	119,298	119,298	187,557
Supply Chain Assistance Funding	27,321	27,321	
P-EBT Administrative Cost Reimbursement	653	653	1,242
Emergency Operational Cost Program - Schools			6,679
Clean Energy Grant	26,577	26,577	
Equipment Assistance Grant	20,000	20,000	
Food Distribution Program	11,259	11,259	14,188
Interest	1	1	
Total Non-Operating Revenues	240,508	240,508	278,378
Net Income before Operating Transfers	23,017	23,017	72,423
Net Income	23,017	23,017	72,423
Net Position - July 1	168,546	168,546	96,123
Net Position - June 30	\$ 191,563	\$ 191,563	\$ 168,546

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	Food Service Enterprise Fund	Totals	
		2023	2022
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 43,196	\$ 43,196	\$ (22,910)
Payments to Employees	(72,047)	(72,047)	
Payments to Suppliers	(201,452)	(201,452)	(209,644)
Net Cash Provided by Noncapital Financing Activities	<u>(230,303)</u>	<u>(230,303)</u>	<u>(232,554)</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	240,507	240,507	5,102
Operating Transfer from General Fund			266,964
Net Cash Provided by Noncapital Financing Activities	<u>240,507</u>	<u>240,507</u>	<u>272,066</u>
Cash Flows from Capital & Related Financing Activities			
Purchase of Capital Assets			
Net Cash Provided by Capital and Related Financing Activities			
Cash Flows From Investing Activities			
Interest and Dividends	1	1	
Net Cash Provided by Investing Activities	<u>1</u>	<u>1</u>	
Net Decrease in Cash and Cash Equivalents	10,205	10,205	39,512
Cash and Cash Equivalents, July 1	103,551	103,551	64,039
Cash and Cash Equivalents, June 30	<u>\$ 113,756</u>	<u>\$ 113,756</u>	<u>\$ 103,551</u>
Operating Income (Loss)	\$ (217,491)	\$ (217,491)	\$ (205,955)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	1,845	1,845	1,846
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(34,564)	(34,564)	
(Increase)/Decrease in Inventory	(837)	(837)	2,075
(Increase)/Decrease in Interfund Receivable			
Increase/(Decrease) in Accounts Payable	5,654	5,654	
Increase/(Decrease) in Due to General			(28,556)
Increase/(Decrease) in Unearned Revenue	3,877	3,877	(1,964)
Net Cash Used by Operating Activities	<u>\$ (241,516)</u>	<u>\$ (241,516)</u>	<u>\$ (232,554)</u>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>Teacher Consortium</u>	<u>Total</u>
<b>ASSETS:</b>		
Cash	\$ 787	\$ 787
Total Assets	<u>787</u>	<u>787</u>
<b>LIABILITIES AND NET POSITION:</b>		
Liabilities:		
Unearned Revenue	787	787
Total Liabilities	<u>\$ 787</u>	<u>\$ 787</u>
Net Position:		
Unreserved		
Total Net Position	<u>          </u>	<u>          </u>
Total Liabilities and Net Position	<u>\$ 787</u>	<u>\$ 787</u>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**SHARED SERVICE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED 2023 AND 2022**

	<u>Teacher Consortium</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>		
Child Study Team Fees	\$ _____	\$ _____
Total Operating Revenue	_____	_____
<b>OPERATING EXPENSES:</b>		
Salaries		
Employee Benefits		
Purchased Professional Services	_____	_____
Total Expenses	_____	_____
Increase in Net Position Before Transfers		
Transfer to Unearned Revenue	_____	_____
Change in Net Position		
Net Position - July 1	_____	_____
Net Position - June 30	\$ _____	\$ _____



**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**SHARED SERVICE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND 2022**

	<u>Teacher Consortium</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$	\$
Payments to Employees		
Payments for Employee Benefits		
Payments to Suppliers		
Net Cash Provided by (used for) Operating Activities		
Cash Flows from Non-capital Financing Activities:		
Operating subsidies and transfers to other funds		
Net Cash Provided by Non-capital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Net Cash Provided by Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Net Cash Provided by Investing Activities		
Net Increase in Cash		
Cash and Cash Equivalents, July 1	787	787
Cash and Cash Equivalents, June 30	787	\$ 787
Operating Income (Loss)		\$ -
Adjustments to Reconcile Operating Income (Loss) to		
Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable		
(Increase) Decrease in Interfund Receivable		
Increase (Decrease) in Unearned Revenue		
Increase (Decrease) in Accounts Payable		
Total Adjustments		-
Net Cash Used by Operating Activities		\$ -

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

DEERFIELD TOWNSHIP BOARD OF EDUCATION  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
STATEMENT OF SERIAL BONDS  
LOANS PAYABLE  
JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Serial 2011 Refunding Bond: of 8/17/04	8/16/2012	\$ 1,460,000	11/30/24	\$ 100,000	3.500%	\$ 485,000	\$	\$ 100,000	\$ 385,000
			12/1/25	100,000	4.125%				
			12/1/26	100,000	4.125%				
			12/1/27	85,000	4.125%				
Totals					\$ 485,000	\$	\$ 100,000	\$ 385,000	

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**LONG-TERM DEBT**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**  
**JUNE 30, 2023**

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2022</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2023</u>
HVAC Upgrade	5/14/2019	4 Years	3.20%	\$ 200,000	\$ 51,573	\$	\$ 51,573	\$
Totals					<u>\$ 51,573</u>	<u>\$</u>	<u>\$ 51,573</u>	<u>\$</u>

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 117,942	\$	\$ 117,942	\$ 117,942	\$
State Sources:					
Debt Service Aid Type II					
<b>TOTAL REVENUES</b>	<u>117,942</u>		<u>117,942</u>	<u>117,942</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service					
Interest	17,944		17,944	17,944	
Redemption of Principal	100,000		100,000	100,000	
<b>Total Regular Debt Service</b>	<u>117,944</u>		<u>117,944</u>	<u>117,944</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2)</u>		<u>(2)</u>	<u>(2)</u>	
Other Financing Sources (Uses)					
Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources	<u>(2)</u>		<u>(2)</u>	<u>(2)</u>	
Fund Balance, July 1	<u>3</u>		<u>3</u>	<u>3</u>	
Fund Balance, June 30	<u>\$ 1</u>	<u>\$</u>	<u>\$ 1</u>	<u>\$ 1</u>	

**STATISTICAL SECTION**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,886,865	\$ 2,479,173	\$ 2,422,702	\$ 2,385,105	\$ 2,349,275	\$ 2,303,546	\$ 2,384,091	\$ 2,222,171	\$ 2,182,037	\$ 2,316,510
Restricted	346,443	503,191	551,315	472,960	761,304	837,738	796,452	1,115,624	1,139,500	785,919
Unrestricted (Deficit)	68,845	(780,693)	(850,926)	(970,252)	(1,019,266)	(1,055,863)	(1,049,464)	(1,006,028)	(785,264)	54,122
<b>Total Governmental Activities Net Position</b>	<b>\$ 3,302,153</b>	<b>\$ 2,201,671</b>	<b>\$ 2,123,091</b>	<b>\$ 1,887,813</b>	<b>\$ 2,091,313</b>	<b>\$ 2,085,421</b>	<b>\$ 2,131,079</b>	<b>\$ 2,331,767</b>	<b>\$ 2,536,273</b>	<b>\$ 3,156,551</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$ 572	\$	\$ 24,295	\$ 23,458	\$ 14,934	\$ 13,088	\$ 11,243
Restricted										
Unrestricted	48,642	46,791	69,216	63,129	63,855	50,347	64,719	81,189	155,458	180,320
<b>Total Business-Type Activities Net Position</b>	<b>\$ 48,642</b>	<b>\$ 46,791</b>	<b>\$ 69,216</b>	<b>\$ 63,701</b>	<b>\$ 63,855</b>	<b>\$ 74,642</b>	<b>\$ 88,177</b>	<b>\$ 96,123</b>	<b>\$ 168,546</b>	<b>\$ 191,563</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,886,865	\$ 2,479,173	\$ 2,422,702	\$ 2,385,677	\$ 2,349,275	\$ 2,327,841	\$ 2,407,549	\$ 2,237,105	\$ 2,195,125	\$ 2,327,753
Restricted	346,443	503,191	551,315	472,960	761,304	837,738	796,452	1,115,624	1,139,500	785,919
Unrestricted (Deficit)	117,487	(733,902)	(781,710)	(907,123)	(955,411)	(1,005,516)	(984,745)	(924,839)	(629,806)	234,442
<b>Total District-Wide Net Position</b>	<b>\$ 3,350,795</b>	<b>\$ 2,248,462</b>	<b>\$ 2,192,307</b>	<b>\$ 1,951,514</b>	<b>\$ 2,155,168</b>	<b>\$ 2,160,063</b>	<b>\$ 2,219,256</b>	<b>\$ 2,427,890</b>	<b>\$ 2,704,819</b>	<b>\$ 3,348,114</b>

Source: ACFR Schedule A-1

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 1,516,987	1,671,577	1,566,761	1,594,638	1,705,944	1,623,360	1,947,832	2,022,862	2,483,010	2,612,271
Special Education	648,247	694,851	703,850	648,673	658,585	864,616	460,017	294,473	515,306	489,032
Other Special Education	640	2,637	23,234	23,193	42,188	98,854	16,408	4,464	11,102	24,274
Other Instruction	4,683	2,602	4,026	12,458	17,248	13,952	24,369	24,828	24,541	1,145
<b>Support Services</b>										
Tuition	554,228	250,281	343,912	373,532	158,492	97,239	157,923	278,265	42,768	57,447
Student and Instruction Related Services	459,247	581,542	651,925	689,981	697,142	724,617	711,308	565,613	651,699	942,180
General and Business Administrative Services	346,820	375,635	384,399	407,068	417,918	434,417	290,956	251,757	206,643	198,190
School Administrative Services	72,365	75,208	78,220	76,289	83,779	72,326	71,681	63,796	163,713	90,230
Central Services							171,789	168,074	173,948	166,397
Plant Operations and Maintenance	432,652	440,436	451,441	434,483	462,458	732,851	502,935	518,940	495,940	571,724
Pupil Transportation	447,751	386,683	401,503	464,852	351,772	404,567	424,222	367,293	419,909	477,543
Internal Service Funds	58,082	54,317	62,524	59,848	55,178	53,417				
Employee Benefits	1,322,969	1,857,793	2,083,824	2,690,030	3,235,995	2,754,181	2,157,824	2,905,036	1,838,467	
Business and Other Support Services										1,466,324
State Debt Service Assessment	17,839	17,839	17,839	17,839	17,839	17,839				
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	44,075	43,305	40,619	35,474	35,432	32,241	50,152	41,714	38,104	34,201
Unallocated Depreciation	5,591	5,683	5,683	5,152	5,152	5,243	174,743	190,131	190,127	186,695
<b>Total Governmental Activities Expenses</b>	<b>5,932,176</b>	<b>6,460,389</b>	<b>6,819,760</b>	<b>7,533,510</b>	<b>7,945,122</b>	<b>7,929,720</b>	<b>7,162,159</b>	<b>7,697,246</b>	<b>7,255,277</b>	<b>7,317,653</b>
<b>Business-Type Activities</b>										
<b>Food Service</b>										
	155,199	175,216	176,287	210,173	197,747	178,545	127,053	141,304	213,565	260,687
<b>Total Business-Type Activities Expense</b>	<b>155,199</b>	<b>175,216</b>	<b>176,287</b>	<b>210,173</b>	<b>197,747</b>	<b>178,545</b>	<b>127,053</b>	<b>141,304</b>	<b>213,565</b>	<b>260,687</b>
<b>Total District Expenses</b>	<b>\$ 6,087,375</b>	<b>6,635,605</b>	<b>6,996,047</b>	<b>7,743,683</b>	<b>8,142,869</b>	<b>8,108,265</b>	<b>7,289,212</b>	<b>7,838,550</b>	<b>7,468,842</b>	<b>7,578,340</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
Internal Service Fund	\$ 62,157	60,938	59,743	58,572	70,446	61,287				
Operating Grants and Contributions	397,948	1,045,296	1,183,611	1,683,962	2,319,297	1,793,206	1,583,892	2,433,203	1,786,849	1,648,555
<b>Total Governmental Activities Program Revenues</b>	<b>460,105</b>	<b>1,106,234</b>	<b>1,243,354</b>	<b>1,742,534</b>	<b>2,389,743</b>	<b>1,854,493</b>	<b>1,583,892</b>	<b>2,433,203</b>	<b>1,786,849</b>	<b>1,648,555</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Food Service	53,070	59,375	66,393	65,939	64,804	66,098	30,716	339	7,610	43,196
Extended Day										
Shared Services										
Operating Grants and Contributions	112,243	121,990	132,319	137,002	133,097	123,234	109,872	155,592	278,378	240,508
<b>Total Business-Type Activities Program Revenues</b>	<b>165,313</b>	<b>181,365</b>	<b>198,712</b>	<b>202,941</b>	<b>197,901</b>	<b>189,332</b>	<b>140,588</b>	<b>155,931</b>	<b>285,988</b>	<b>283,704</b>
<b>Total District Program Revenues</b>	<b>\$ 625,418</b>	<b>1,287,599</b>	<b>1,442,066</b>	<b>1,945,475</b>	<b>2,587,644</b>	<b>2,043,825</b>	<b>1,724,480</b>	<b>2,589,134</b>	<b>2,072,837</b>	<b>1,932,259</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (5,472,071)</b>	<b>(5,354,155)</b>	<b>(5,576,406)</b>	<b>(5,790,976)</b>	<b>(5,555,379)</b>	<b>(6,075,227)</b>	<b>(5,578,267)</b>	<b>(5,264,043)</b>	<b>(5,468,428)</b>	<b>(5,669,098)</b>
<b>Business-Type Activities</b>	<b>10,114</b>	<b>6,149</b>	<b>22,425</b>	<b>(7,232)</b>	<b>154</b>	<b>10,787</b>	<b>13,535</b>	<b>14,627</b>	<b>72,423</b>	<b>23,017</b>
<b>Total District-Wide Net Expense</b>	<b>\$ (5,461,957)</b>	<b>(5,348,006)</b>	<b>(5,553,981)</b>	<b>(5,798,208)</b>	<b>(5,555,225)</b>	<b>(6,064,440)</b>	<b>(5,564,732)</b>	<b>(5,249,416)</b>	<b>(5,396,005)</b>	<b>(5,646,081)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, net	\$ 2,381,276	2,449,544	2,498,534	2,565,108	2,667,712	2,771,866	2,827,303	2,888,365	2,946,132	2,995,963
Taxes Levied for Debt Service	109,681	147,981	140,807	135,681	135,681	127,520	134,020	130,343	121,756	117,942
Unrestricted Grants and Contributions	2,837,015	2,771,110	2,846,480	2,835,613	2,919,684	3,078,283	2,672,401	2,588,538	2,645,109	3,224,631
Tuition	57,686	92,499	48,583	60,757	43,816	66,206	7,474		10,985	23,873
Investment Earnings	368	215	1,526	4,439	12,825	28,766	12,206	557	80	2,130
Miscellaneous Income	19,985	8,189	2,431	3,749	3,483	12,357	4,603	12,963	2,849	27,816
Other Adjustments	(176)	(365,302)		(261)		(3,488)		(65,407)	32,523	
Transfers		(981)	(40,533)	(49,390)	(24,322)	(12,196)	(34,082)	(121,171)	(93,982)	-
Right-to-Use Lease Adjustment										(102,979)
<b>Total Governmental Activities</b>	<b>5,405,835</b>	<b>5,103,255</b>	<b>5,497,828</b>	<b>5,555,696</b>	<b>5,758,879</b>	<b>6,069,334</b>	<b>5,623,925</b>	<b>5,434,188</b>	<b>5,665,452</b>	<b>6,289,376</b>
<b>Business-Type Activities</b>										
Investment Earnings										-
Other Adjustments				1,717				(6,681)		
Transfers		(8,000)								
<b>Total Business-Type Activities</b>	<b>-</b>	<b>(8,000)</b>	<b>-</b>	<b>1,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,681)</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 10,906,254</b>	<b>13,489,307</b>	<b>13,733,775</b>	<b>14,711,096</b>	<b>15,717,068</b>	<b>14,958,412</b>	<b>14,279,990</b>	<b>14,747,526</b>	<b>13,485,985</b>	<b>6,289,376</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<b>\$ (66,236)</b>	<b>(311,838)</b>	<b>(78,578)</b>	<b>(235,280)</b>	<b>203,500</b>	<b>(5,893)</b>	<b>45,658</b>	<b>170,145</b>	<b>197,024</b>	<b>620,278</b>
<b>Business-Type Activities</b>	<b>10,114</b>	<b>(1,851)</b>	<b>22,425</b>	<b>(5,515)</b>	<b>154</b>	<b>10,787</b>	<b>13,535</b>	<b>7,946</b>	<b>72,423</b>	<b>23,017</b>
<b>Total District-Wide</b>	<b>\$ (56,122)</b>	<b>(313,689)</b>	<b>(56,153)</b>	<b>(240,795)</b>	<b>203,654</b>	<b>4,894</b>	<b>59,193</b>	<b>178,091</b>	<b>269,447</b>	<b>643,295</b>

Source: ACFR Schedule A-2



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted	\$ 420,802	\$ 550,272	\$ 551,315	\$ 472,959	\$ 761,304	\$ 837,737	\$ 806,784	\$ 1,093,484	\$ 1,107,772	\$ 848,851
Assigned							19,700	12,687	29,355	163,741
Committed	53,080	27,266	33,925	47,366	32,309	26,077				
Unassigned (Deficit)							21,923	26,769	175,530	701,890
Total General Fund	<u>\$ 473,882</u>	<u>\$ 577,538</u>	<u>\$ 585,240</u>	<u>\$ 520,325</u>	<u>\$ 793,613</u>	<u>\$ 863,814</u>	<u>\$ 848,407</u>	<u>\$ 1,132,940</u>	<u>\$ 1,312,657</u>	<u>\$ 1,714,482</u>
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 27,703
Committed to Capital Projects Fund	15,657									
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(5,569)	(7,858)	(7,858)	(8,573)	(12,145)	(20,306)	(6,843)	9,055	(25,074)	(59,520)
Debt Service Fund	1	1	1	2			2	3	3	1
Total All Other Governmental Funds	<u>\$ 10,089</u>	<u>\$ (7,857)</u>	<u>\$ (7,857)</u>	<u>\$ (8,571)</u>	<u>\$ (12,145)</u>	<u>\$ (20,306)</u>	<u>\$ (6,841)</u>	<u>\$ 9,058</u>	<u>\$ (25,071)</u>	<u>\$ (31,816)</u>

Source: ACFR Schedule B-1

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	\$ 2,490,957	\$ 2,597,525	\$ 2,639,341	\$ 2,700,789	\$ 2,803,393	\$ 2,899,386	\$ 2,961,323	\$ 3,018,708	\$ 3,067,888	\$ 3,113,905
Tuition	57,686	92,499	48,583	60,757	43,816	66,206	7,474		10,985	23,873
Interest Earnings	368	215	1,526	4,439	12,825	28,766	12,206	557	80	2,130
Miscellaneous	19,985	8,189	2,431	3,749	3,483	12,357	7,756	19,212	21270	27,816
State Sources	2,984,104	3,013,866	3,115,971	3,229,755	3,447,511	3,692,871	3,724,017	3,785,487	3,962,030	4,839,496
Federal Sources	253,273	222,220	259,449	244,143	233,267	234,922	214,910	288,417	594,671	715,647
<b>Total Revenues</b>	<b>5,806,373</b>	<b>5,934,514</b>	<b>6,067,301</b>	<b>6,243,632</b>	<b>6,544,295</b>	<b>6,934,508</b>	<b>6,927,686</b>	<b>7,112,381</b>	<b>7,656,924</b>	<b>8,722,867</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,433,118	1,586,332	1,481,516	1,517,355	1,628,661	1,544,726	1,947,832	2,022,862	2,483,010	2,612,271
Special Education Instruction	629,610	675,908	684,907	631,499	641,411	847,142	460,017	294,473	515,306	489,032
Other Special Instruction	640	743	23,234	23,193	42,188	98,854				24,274
Other Instruction	2,819	2,602	2,132	10,741	15,531	12,205	24,369	24,828	24,541	1,145
School Sponsored							16,408	4,464	11,102	
<b>Support Services</b>										
Tuition	554,228	250,281	343,912	373,532	158,492	97,239	157,923	278,265	42,768	57,447
Student and Instruction Related Services	436,882	558,810	629,193	669,372	676,533	703,648	711,308	565,613	651,699	942,180
School Administrative Services	68,637	71,419	74,431	72,854	80,344	68,831	71,681	63,796	163,713	90,230
General Administrative Services	215,297	238,355	251,443	246,817	250,082	262,502	462,745	419,831	380,591	198,190
Central Services & Info. Techn.	120,340	125,914	121,590	149,947	157,532	161,430				166,397
Plant Operations and Maintenance	406,559	413,915	424,920	410,439	438,414	708,387	502,935	518,940	490,865	623,297
Pupil Transportation	434,705	373,423	388,243	452,830	339,750	392,335	424,222	367,293	419,909	477,543
Employee Benefits	1,342,163	1,320,389	1,415,509	1,509,795	1,639,747	1,785,133	1,813,961	2,024,155	2,111,147	2,328,060
Capital Outlay	48,095	59,883	50,801	52,244	53,749	255,320	150,288		5,075	96,798
<b>Debt Service</b>										
Principal	65,000	105,000	100,000	100,000	100,000	95,000	105,000	153,434	149,984	100,000
Interest and Other Charges	44,681	42,981	40,806	35,682	35,682	32,519	46,858	43,183	39,595	17,944
<b>Total Expenditures</b>	<b>5,802,774</b>	<b>5,825,955</b>	<b>6,032,637</b>	<b>6,256,300</b>	<b>6,258,116</b>	<b>7,065,271</b>	<b>6,895,547</b>	<b>6,781,137</b>	<b>7,489,305</b>	<b>8,224,808</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	3,599	108,559	34,664	(12,668)	286,179	(130,763)	32,139	331,244	167,619	498,059
<b>Other Financing Sources (Uses)</b>										
Transfer to Charter School		(8,981)	(40,533)	(49,390)	(24,322)	(12,196)	(34,082)	(121,171)	(93,982)	
Capital Lease Proceeds (Non-budgeted)										
Other	(176)					200,000		59,816	32,523	
Transfers, Net		11,935	5,000		5,000	5,000			31,946	(102,979)
<b>Total Other Financing Sources (Uses)</b>	<b>(176)</b>	<b>2,954</b>	<b>(35,533)</b>	<b>(49,390)</b>	<b>(19,322)</b>	<b>192,804</b>	<b>(34,082)</b>	<b>(61,355)</b>	<b>(29,513)</b>	<b>(102,979)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,423</b>	<b>\$ 111,513</b>	<b>\$ (869)</b>	<b>\$ (62,058)</b>	<b>\$ 266,857</b>	<b>\$ 62,041</b>	<b>\$ (1,943)</b>	<b>\$ 269,889</b>	<b>\$ 138,106</b>	<b>\$ 395,080</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	1.91%	2.56%	2.34%	2.17%	2.18%	1.87%	2.24%	2.85%	2.50%	1.45%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Percentage of Assessed To Estimated Full Cash Valuations	Estimated Actual County Equalized Value
2023	\$ 5,171,800	\$ 140,762,300	\$ 22,387,200	\$ 2,833,500	\$ 18,497,800	\$ 5,081,900		\$ 194,734,500	\$ 584,640	\$ 195,319,140	80.54%	\$ 241,786,069
2022										193,490,422	83.97%	230,426,979
2021										191,535,692	96.38%	198,734,535
2020										192,642,347	95.17%	202,408,689
2019										191,346,851	97.45%	196,352,482
2018										191,057,852	97.11%	196,742,935
2017										189,991,364	95.32%	199,312,993
2016										189,208,919	95.75%	197,598,153
2015										189,201,358	92.84%	203,791,220
2014										187,959,971	89.79%	209,337,794

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

\* Estimate

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

Year Ended June 30,	DEERFIELD Township Board of Education			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Cumberland Regional School Dist.	Deerfield Township	Cumberland County	Total
2023	\$ 1.562	\$ 0.061	\$ 1.623	\$ 0.616	\$ 0.122	\$ 1.294	\$ 3.655
2022	1.546	0.064	1.610	0.760	0.089	1.395	3.854
2021			1.602	0.751	0.090	1.317	3.760
2020			1.578	0.745	0.090	1.245	3.658
2019			1.516	0.589	0.090	1.202	3.397
2018			1.468	0.593	0.090	1.194	3.345
2017			1.422	0.618	0.090	1.176	3.306
2016			1.395	0.558	0.090	1.154	3.197
2015			1.373	0.517	0.080	1.122	3.092
2014			1.326	0.487	0.081	1.098	2.992

\* First Year of Revaluation.

Source: District Records and Municipal Tax Collector

**Note:**

NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

**a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
GST non-EXEMT	\$ 5,189,000	2.66%	\$ 5,717,300	3.02%
F&S Reality Assoc.	3,070,900	1.57%	2,179,300	1.15%
Pipitone Reality, LLC			2,107,900	1.11%
Taxpayer 1	1,180,100	0.60%	1,532,600	0.81%
S&L Reality Associates LLC	1,262,600	0.65%	1,262,600	0.67%
Mand LLC	936,900	0.48%	929,100	0.49%
Verizon			689,219	0.36%
Taxpayer 2	751,300	0.38%	606,400	0.32%
Lartland, LLC	939,700	0.48%	564,200	0.30%
556 Irving Ave. LLC			553,300	0.29%
Crop Prod Serv Inc	1,103,400	0.56%		
White Dog Corp	648,200	0.33%		
Taxpayer 3	610,000	0.31%		
Total	\$ 15,692,100	8.03%	\$ 16,141,919	8.52%

Source: District ACFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 3,113,905	\$ 3,113,905	100.00%	\$
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%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2023	\$ 385,000	\$	\$	\$	\$ 385,000	0.27%	\$ 127
2022	485,000			51,573	536,573	0.36%	172
2021	585,000			101,566	686,566	0.46%	218
2020	690,000			150,000	840,000	0.62%	281
2019	795,000			200,000	995,000	0.80%	330
2018	890,000			37,481	927,481	0.78%	306
2017	990,000			73,391	1,063,391	0.91%	351
2016	1,090,000			107,795	1,197,795	1.05%	390
2015	1,190,000			140,757	1,330,757	1.18%	429
2014	1,295,000			172,337	1,467,337	1.34%	470

Source: District ACFR Schedules I-1, I-2

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>	
	General Obligation Bonds	Deductions			Net General Bonded Debt Outstanding
2023	\$ 385,000		\$ 385,000	0.16%	127
2022	485,000		485,000	0.21%	155
2021	585,000		585,000	0.29%	185
2020	690,000		690,000	0.34%	230
2019	795,000		795,000	0.40%	264
2018	890,000		890,000	0.45%	293
2017	990,000		990,000	0.50%	326
2016	1,090,000		1,090,000	0.55%	355
2015	1,190,000		1,190,000	0.58%	384
2014	1,295,000		1,295,000	0.62%	414

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2023**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Deerfield Township	\$ 210,190	100%	\$ 210,190
<b>Other Debt</b>			
Cumberland Regional School Debt	3,017,000	12%	370,823
County of Cumberland - Township share	93,661,798	2%	2,133,264
Subtotal, Overlapping Debt			<u>2,714,277</u>
<b>DEERFIELD Township School District Direct Debt</b>			<u>385,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 3,099,277</u></u>

**Sources:** Deerfield Township Chief Financial Officer and Cumberland County Finance Office

**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 Deerfield. 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**  
 (UNAUDITED)

**Legal Debt Margin Calculation for Fiscal Year 2022**

	Equalized Valuation Basis
	2022     \$ 239,496,648
	2021     226,331,555
	2020     202,083,625
	<u>[A] \$ 667,911,828</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 222,637,276</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] \$ 6,679,118 a</u>
Net Bonded School Debt	<u>[C] 385,000</u>
Legal Debt Margin	<u>[B-C] \$ 6,294,118</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 6,217,112	\$ 6,042,946	\$ 5,910,335	\$ 5,845,428	\$ 5,840,586	\$ 5,878,804	\$ 6,960,083	\$ 7,069,021	\$ 7,195,192	\$ 6,679,118
Total Net Debt Applicable to Limit	<u>1,330,757</u>	<u>1,197,795</u>	<u>1,063,391</u>	<u>927,481</u>	<u>995,000</u>	<u>840,000</u>	<u>686,566</u>	<u>585,000</u>	<u>485,000</u>	<u>385,000</u>
Legal Debt Margin	<u>\$ 4,886,355</u>	<u>\$ 5,736,999</u>	<u>\$ 4,846,944</u>	<u>\$ 4,917,947</u>	<u>\$ 4,845,586</u>	<u>\$ 5,038,804</u>	<u>\$ 6,273,517</u>	<u>\$ 6,484,021</u>	<u>\$ 6,710,192</u>	<u>\$ 6,294,118</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.4%	19.8%	18.0%	15.9%	17.0%	14.3%	9.9%	8.3%	6.7%	5.8%

Source: Abstract of Ratables and District Records

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

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c(1)</sup></u>	<u>Unemployment Rate <sup>d</sup></u>	
2023	*	3,031	\$ 144,451,689	\$ 47,654	3.2%
2022		3,125	148,770,497	47,607	3.5%
2021		3,155	150,048,645	47,559	5.2%
2020		2,994	136,221,012	45,498	8.2%
2019		3,011	124,435,597	41,327	4.8%
2018		3,033	119,645,784	39,448	4.9%
2017		3,033	116,324,649	38,353	6.2%
2016		3,073	114,008,300	37,100	7.7%
2015		3,102	112,670,844	36,322	9.5%
2014		3,125	109,287,500	34,972	8.3%

\* Estimate

(1) Information for Cumberland County

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Not Available at time of Audit

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

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,723	5.37%	2,837	4.18%
F & S Produce/Pipcp Transportation	1,272	1.84%	525	0.77%
Wal-Mart	850	1.23%	806	1.19%
Wawa	780	1.13%	562	0.83%
Durand Glass Manufacturing Co./ARC Interr	895	1.29%	970	1.43%
ShopRite	755	1.09%	737	1.09%
Sheppard Bus Service	550	0.79%	520	0.77%
Elwyn New Jersey			518	0.76%
AJM Packaging	489	0.71%		
Americold formerly AGRO Merchants	375	0.54%		
Northeast Precast	439	0.63%		
Seabrook Brothers & Sons, Inc	261	0.38%	550	0.81%
Ardagh Group	372	0.54%		
Complete Care	312	0.45%		
South State, Inc	345	0.50%		
Corning Glass	281	0.41%		
Nipro PharmaPackaging Americas Corp	307	0.44%		
Gerresheimer Glass			876	1.29%
	<u>12,006</u>	<u>17.33%</u>	<u>8,901</u>	<u>11.01%</u>

Source:

This information is for the County of Cumberland.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b><u>Function/Program</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Instruction										
Regular	22.2	24.0	23.0	23.0	24.0	24.2	23.4	24.0	24.0	25.0
Special Education	5.5	5.5	5.5	5.5	7.1	7.1	6.8	6.0	6.0	5.0
Support Services:										
Student & Instruction Related Services	2.5	3.5	4.5	5.3	4.5	4.1	2.8	2.5	2.5	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
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Business Administrative Services	1.0	1.0	1.0	1.0	1.6	1.6	1.6	1.6	2.0	2.0
Plant Operations and Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>36.2</b>	<b>39.0</b>	<b>39.0</b>	<b>39.8</b>	<b>42.2</b>	<b>42.0</b>	<b>39.6</b>	<b>39.1</b>	<b>40.5</b>	<b>40.0</b>

**Source:** District Personnel Records

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio Elementary</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2023	317	\$ 8,224,808	\$ 25,946	15.80%	34.0	8:1	513.6	291.1	82.58%	56.68%
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	3.47%	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	11:01	329.7	312.9	2.49%	94.90%
2017	321	6,117,764	19,058	6.68%	28.5	11:01	321.7	305.6	-1.68%	95.00%
2016	327	5,841,815	17,865	5.20%	28.5	12:1	327.2	314.6	-2.88%	96.15%
2015	334	5,672,072	16,982	-0.42%	297	11:01	336.9	320.9	0.12%	95.25%
2014	331	5,644,998	17,054	#DIV/0!	27.7	12:01	336.5	316.7	2.93%	94.12%

**Sources:** District records, ASSA

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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 YEARS**  
*(UNAUDITED)*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Deerfield Elementary School										
Square Feet	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936	61,936
Enrollment	331	334	327	321	335	298	268	272	291	317

Number of Schools at June 30, 2022  
Elementary = 1

**Source:** District records, ASSA

Note:  
Enrollment is based on the annual October district count.

**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2023</u>	<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>
Deerfield Township Sch.	61,936	\$ 101,886	\$ 98,955	\$ 142,216	\$ 130,979	\$ 351,139	\$ 121,503	\$ 104,385	\$ 95,177	\$ 84,976	\$ 93,451
Total School Facilities		\$ 101,886	\$ 244,168	\$ 283,233	\$ 305,785	\$ 274,522	\$ 196,411	\$ 175,944	\$ 134,180	\$ 140,119	\$ 66,706



**DEERFIELD TOWNSHIP SCHOOL DISTRICT**  
***INSURANCE SCHEDULE***  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(UNAUDITED)**

Company	Type of Coverage	Coverage	Deductible	
New Jersey Schools 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 & Meachinery 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 Lenders 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	
	Pollution Ironshoe Speciality Insurance Co	1,000,000	50,000	
	Cyberliabilty Response Beazly Insurance Company Inc	2,000,000	25,000	
	Student Accident-Basic- Berkley Life & Health Bonds			
	NJ School Board Association Insurance Group			
	Surety Bond- Treasurer Frank Badessa	185,000		
	Surety Bond- Board Sec/Business Admin Joe Giambri	150,000		

\* Blanket Bond Positions are excluded

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

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## 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

The Honorable President and  
Members of the Board of Education  
Deerfield Township School District  
County of Cumberland, New Jersey 08349

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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Deerfield Township School District's basic financial statements, and have issued our report thereon dated December 5, 2023.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Deerfield Township Board of Education'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 Deerfield Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Deerfield Township Board of Education'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. We did identify one deficiency in internal control that we considered to be a material weakness, described in the accompanying schedule of findings and questioned costs, labeled 2023-1. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Deerfield Township Board of Education's financial statements are free of 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 one instance of noncompliance or other matters that is 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 described in the accompanying schedule of findings and questioned costs, labeled 2023-1.

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
December 5, 2023

# **NIGHTLINGER, COLAVITA & VOLPA**

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## **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**

The Honorable President and  
Members of the Board of Education  
Deerfield Township School District  
County of Cumberland, New Jersey 08349

### **Report on Compliance for Each Major Federal and State Program**

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

We have audited The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

#### ***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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance 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 Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey and to meet our other 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 federal and state program. Our audit does not provide a legal determination of The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey's compliance with the compliance requirements referred to above.

### ***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 Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey'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 generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. 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, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, 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 The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey'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 The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey'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 Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey'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.

### **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 a 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
December 5, 2023

**TOWNSHIP OF DEERFIELD SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2022	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment	Balance at June 30, 2023		
													Accounts Receivable	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>															
General Fund															
Medical Assistance Program (SEMI)	93.778	23005NJMAP	N/A	\$	7/1/22	6/30/23	\$	\$	\$	\$	\$	\$	\$	\$	
Medical Assistance Program (SEMI)	93.778	2205NJSMP	N/A		7/1/21	6/30/22									
<b>U.S. Department of The Treasury</b>															
Passed-through State Department of Education:															
Covid Relief Funds	21.019	S377A130031	100-034-5120-	\$24,860	3/31/20	6/30/21	2,862					(2,862)			
<b>U.S. Department of Agriculture</b>															
Passed-through State Department of Education:															
Enterprise Fund:															
Non-Cash Assistance:															
U.S.D.A. Food Distribution Progra	10.555	231NJ304N1099	N/A	\$15,091	7/1/22	6/30/23		15,091	(11,259)		(11,259)			3,832	
Cash Assistance:															
Fresh Fruits and Vegetable Progra	10.582	231NJ304L1603	N/A		7/1/22	6/30/23									
Child Nutrition Cluster:															
School Breakfast Program	10.553	231NJ304N1099	N/A	31,250	7/1/22	6/30/23		25,428	(31,250)		(31,250)			(5,822)	
School Breakfast Program	10.553	221NJ304N1099	N/A	64,301	7/1/21	6/30/22	(5,096)	5,096							
National School Lunch Program	10.555	231NJ304N1099	N/A	119,298	7/1/22	6/30/23		98,331	(119,298)		(119,298)			(20,967)	
National School Lunch Program	10.555	221NJ304N1099	N/A	187,557	7/1/21	6/30/22	(14,828)	14,828							
Supply Chain Assistance Fundinq	10.555	231NJ344N8903	N/A	9,823	7/1/22	6/30/23		9,823	(9,823)		(9,823)				
Supply Chain Assistance Fundinq	10.555	231NJ344N8903	N/A	7,175	7/1/22	6/30/23		7,175	(7,175)		(7,175)				
Supply Chain Assistance Fundinq	10.555	221NJ344N8903	N/A	10,323	7/1/21	6/30/22		10,323	(10,323)		(10,323)				
PEBT	10.649	2023225900941	N/A	653	7/1/22	6/30/23			(653)		(653)			(653)	
Equipment Assistant Grant	10.579	221NJ354N8103	N/A	20,000	7/1/22	6/30/23		20,000	(20,000)		(20,000)				
Total U.S. Department of Agriculture							(19,924)	206,095	(209,781)		(209,781)		(27,442)	3,832	
<b>U.S. Department of Education</b>															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA1020-23	83,875	7/1/22	9/30/23		29,322	(83,869)		(83,869)		(54,547)		
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA1020-22	84,423	7/1/21	9/30/22	(43,510)	44,169						659	
ARP I.D.E.A. Part B Basic	84.027X	H027X210100	IDEA1020-22	14,278	7/1/21	9/30/22		14,278						14,278	
I.D.E.A. Part B, Pre-school	84.173	H173A220114	IDEA1020-23	2,664	7/1/22	9/30/23			(2,664)		(2,664)		(2,664)		
I.D.E.A. Part B, Pre-school	84.173	H173A210114	IDEA1020-22	2,410	7/1/21	9/30/22	(2,410.00)	5				2,405			
ARP I.D.E.A. Part B, Pre-school	84.173X	H173X210114	IDEA1020-22	1,213	7/1/21	9/30/22	(1,213)	1,213							
E.S.E.A.:															
Title I	84.010	S010A220030	ESEA1020-23	140,991	7/1/22	9/30/23		63,390	(149,791)		(149,791)		(86,401)		
Title I	84.010	S010A210030	ESEA1020-22	90,576	7/1/21	9/30/22	(73,874)	78,178					(3,652)	4,304	
Title I SIA									(3,652)		(3,652)		(3,652)		
Title I Relocation															
Title II A	84.367A	S367A220029	ESEA1020-23	14,964	7/1/22	9/30/23	(5,618)	1,057	(7,115)		(7,115)	2,995	(8,681)		
Title II A	84.367A	S367A210029	ESEA1020-22	13,367	7/1/21	9/30/22		24,316	(10,870)		(10,870)	289		13,735	
Title IV	84.424A	S424A210031	ESEA1020-22	10,000	7/1/21	9/30/22	(3,085)	11,068	(7,983)		(7,983)				
Education Stabilization Fund:															
CARES ACT 2020/ESSER	84.425D	S425D200027	ESSER 1020-20	78,621	3/13/20	9/30/22		1						1	
CRRSA Consolidated:															
CRRSA-ESSER II (Emergenc	84.425D	S425D210027	CRRSA 1020-23	321,771	3/13/20	9/30/23	(143,805)	89,973	(191,448)		(191,448)	5,521	(239,759)		
CR Learning Acceleration	84.425D	S425D210027	CRRSA 1020-23	25,000	3/13/20	9/30/23			(6,164)		(6,164)		(6,164)		
CR Mental Health	84.425D	S425D210027	CRRSA 1020-23	45,000	3/13/20	9/30/23		3,172	(17,639)		(17,639)		(14,467)		
ARP Consolidated:															
ARP ESSER	84.425U	S425U210027	ARP 1020-24	723,159	3/13/20	9/30/24	(153,339)		(244,461)		(244,461)		(397,800)		
Accelerated Learning	84.425U	S425U210027	ARP 1020-24	50,000	3/13/20	9/30/24									
Summer Learning	84.425U	S425U210027	ARP 1020-24	40,000	3/13/20	9/30/24									
Beyond the School Day	84.425U	S425U210027	ARP 1020-24	40,000	3/13/20	9/30/24									
ARP Homeless II		S425W210031	ARP 1020-24	6,603	4/23/21	9/30/24			(3,203)		(3,203)		(3,203)		
NJTSS Mental Health Staffing	84.425U	S425U210027	ARP 1020-24	45,000	3/13/20	9/30/24									
REAP	84.358A	S358A214550	REAP095022	20,718	7/1/21	6/30/22	1,059		(16,286)		(16,286)		(15,227)		
Climate Change Grant		S235063359		6,680	4/1/23	6/30/23			(6,402)		(6,402)	49	(6,402)	49	
Total U.S. Department of Education							(425,795)	360,142	(751,547)		(751,547)	11,259	(838,966)	32,976	49
Total Federal Financial Awards							\$ (442,857)	\$ 566,237	\$ (961,326)	\$	\$ (961,326)	\$ 8,397	(866,408)	\$ 36,808	\$ 49

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance  
 These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.



**TOWNSHIP OF DEERFIELD SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022					Balance at June 30, 2023		MEMO		
			From	To	(Accounts Receivable)	Unearned Revenue	Carry-over	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>														
General Fund:														
Equalization Aid	23-495-034-5120-078	2,070,982	7/1/22	6/30/23	\$	\$	\$	\$	1,873,825	\$ (2,070,982)	\$ (197,157)	\$ *	(197,157)	\$ (2,070,982)
Special Education Categorical Aid	23-495-034-5120-089	194,666	7/1/22	6/30/23					176,134	(194,666)	(18,532)	*	(18,532)	(194,666)
Transportation Aid	23-495-034-5120-014	95,887	7/1/22	6/30/23					86,759	(95,887)	(9,128)	*	(9,128)	(95,887)
Security Aid	23-495-034-5120-089	45,634	7/1/22	6/30/23					41,290	(45,634)	(4,344)	*	(4,344)	(45,634)
Non-public Transportation Aid	23-495-034-5120-014	8,424	7/1/22	6/30/23								*		(8,424)
Non-public Transportation Aid	22-495-034-5120-014	8,990	7/1/21	6/30/22	(8,990)				8,990			*		(8,424)
Homeless Tuition Reimbursement	N/A	25,360	7/1/22	6/30/23						(25,360)	(25,360)	*		(25,360)
Maintenance of Equity	22-495-034-5120-128	104,829	7/1/21	6/30/22	(104,829)				104,829			*		(25,360)
Maintenance of Equity	23-495-034-5120-128	569,306	7/1/22	6/30/23						(569,306)	(569,306)	*		(569,306)
Extraordinary Aid	23-495-034-5120-044	103,321	7/1/22	6/30/23						(103,321)	(103,321)	*		(103,321)
Reimbursed TPAF Social Security Contrib	23-495-034-5094-003	196,663	7/1/22	6/30/23					177,089	(196,663)	(19,574)	*		(196,663)
Reimbursed TPAF Social Security Contrib	22-495-034-5094-003	174,662	7/1/21	6/30/22	(9,008)				9,008			*		(196,663)
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	751,489	7/1/22	6/30/23					751,489	(751,489)		*		(751,489)
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	197,414	7/1/22	6/30/23					197,414	(197,414)		*		(197,414)
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	331	7/1/22	6/30/23					331	(331)		*		(331)
<b>Total General Fund</b>					<b>(122,827)</b>				<b>3,427,158</b>	<b>(4,259,477)</b>	<b>(955,146)</b>		<b>(229,161)</b>	<b>(4,259,477)</b>
Special Revenue Fund:														
Preschool Education Aid	22-495-034-5120-086	567,991	7/1/21	6/30/22	(56,799)	400,484	(400,484)		56,799			*	(59,520)	(587,040)
Preschool Education Aid	23-495-034-5120-086	621,735	7/1/22	6/30/23					562,215	(587,040)	(59,520)	*	(59,520)	(587,040)
SDA Emergent Needs & Capital Maintenance	22-100-034-5120-086	6,528	7/1/21	6/30/22						(6,528)	(6,528)	*		(6,528)
SDA Emergent Needs & Capital Maintenance	23-100-034-5120-086	6,739	7/1/22	6/30/23						(6,739)	(6,739)	*		(6,739)
<b>Total Special Revenue Fund</b>					<b>(56,799)</b>	<b>400,484</b>			<b>619,014</b>	<b>(600,307)</b>	<b>(72,787)</b>		<b>435,179</b>	<b>(600,307)</b>
Debt Service Fund:														
Debt Service Aid-Type II	23-495-034-5120-017	-	7/1/22	6/30/23										
<b>State Department of Agriculture:</b>														
Enterprise Fund:														
State School Breakfast Prog.	23-100-010-3350-023	452	7/1/22	6/30/23					346	(452)	(106)	*		(452)
State School Lunch Prog.	23-100-010-3350-023	3,697	7/1/22	6/30/23					2,993	(3,697)	(704)	*		(3,697)
State School Lunch Prog.	22-100-010-3350-023	5,716	7/1/21	6/30/22	(341)				341			*		(3,697)
Clean Energy Grant	N/A	26,577	7/1/22	6/30/23						(26,577)	(26,577)	*		(26,577)
<b>Total Enterprise Fund</b>					<b>(341)</b>				<b>3,680</b>	<b>(30,726)</b>	<b>(27,387)</b>			<b>(30,726)</b>
<b>Total State Financial Assistance</b>					<b>\$ (179,967)</b>	<b>\$ 400,484</b>	<b>\$</b>	<b>\$ 4,049,852</b>	<b>\$ (4,890,510)</b>	<b>\$ (1,055,320)</b>	<b>\$ 435,179</b>	<b>\$</b>	<b>(288,681)</b>	<b>\$ (4,890,510)</b>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	751,489	7/1/22	6/30/23				\$	751,489	\$ (751,489)				
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	197,414	7/1/22	6/30/23					197,414	(197,414)				
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	331	7/1/22	6/30/23					331	(331)				
<b>Total State Financial Assistance - Major Program Determination</b>								<b>\$</b>	<b>3,100,618</b>	<b>\$ (3,941,276)</b>				

See accompanying notes to schedules of financial assistance

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2023**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Deerfield School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. 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 schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**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.

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:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$8,969 for the general fund and \$38,733 for the special revenue fund. See Note 2 (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

**DEERFIELD TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2023**  
(Continued)

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 4,268,446	\$ 4,268,446
Special Revenue Fund	715,647	571,050	1,286,697
Food Service Fund	<u>236,358</u>	<u>4,149</u>	<u>240,507</u>
Total Awards & Financial Assistance	<u>\$ 952,005</u>	<u>\$ 4,843,645</u>	<u>\$ 5,795,650</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 Township of Deerfield had no outstanding loans as of June 30, 2023.

**NOTE 6: OTHER**

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 District for the year ended June 30, 2023. 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, 2023.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: ADJUSTMENTS**

There were net adjustments noted on Schedule A, Exhibit K-3, Schedule of Federal Awards in the amount of \$8,397 and no adjustments noted on Schedule K-4, Schedule of State Financial Assistance.

DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 deficiencies identified?   yes  X  No

Noncompliance material to basic financial statements noted?  X  yes   no

Federal Awards

Internal control over major programs:

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

2) Significant deficiencies 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 2 CFR 200 section .516(a)?   yes  X  no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425D	S425D210027	Education Stabilization Fund:
84.425U	S425U210027	CRRSSA Consolidated
		ARP Consolidated

Dollar threshold used to distinguish between type A and type B 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, 2023  
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B 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 deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ 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 NJOMB Circular Letter 15-08 as applicable? \_\_\_\_\_ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-086	Preschool Education Aid

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding: 2023-1 (AMR 2023-2)**

**Criteria or 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.

**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.

**Effect:**

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

**Cause:**

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

**Recommendation:**

Procedures regarding the normal, as well as the annual closeout process on the accounting system, should be reviewed and updated, in order to provide a properly prepared General Ledger that agrees with the final Board Secretary's Report.

**Management's 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 AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(continued)

Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**

**Finding:** None

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:** None

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**STATE AWARDS**

**Finding:** None

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:** None

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**DEERFIELD TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

**Finding 2022-01**

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

**Status:** Unresolved (See Finding 2023-1)

**Finding 2022-02**

**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)

**Status:** Resolved

**Finding 2022-03**

**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.

**Status:** Resolved

**Finding 2022-04**

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

**Status:** Resolved