

**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, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

**Township of Deerfield Board of Education
Rosenhayn, New Jersey**

For the Fiscal Year Ended June 30, 2024

Prepared by

Deerfield Township Board of Education

Finance Department

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE DEERFIELD SCHOOL DISTRICT
TABLE OF CONTENTS**

INTRODUCTORY SECTION

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1-6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9

FINANCIAL SECTION

Independent Auditor's Report	10-12
Required Supplementary Information – Part I	
Management's Discussion and Analysis (Unaudited)	13-18
Not Used	19-21

Basic Financial Statements

A.	District-Wide Financial Statements:	
A-1	Statement of Net Position	22
A-2	Statement of Activities	23
B.	Fund Financial Statements:	
	Governmental Funds:	
B-1	Balance Sheet	24
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balance	25
B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
	Proprietary Funds:	
B-4	Statement of Net Position	27
B-5	Statement of Revenues, Expenses, and Changes in Fund Net Position	28
B-6	Statement of Cash Flows	29
	Fiduciary Funds:	
B-7	Statement of Fiduciary Net Position	N/A
B-8	Statement of Changes in Fiduciary Net Position	N/A

Notes to the Financial Statements	30-61
--	-------

Not Used	62-64
----------	-------

Required Supplementary Information – Part II

C.	Budgetary Comparison Schedules: (Unaudited)	
C-1	Budgetary Comparison Schedule – General Fund	65-70
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b	Community Development Block Grant – Budget and Actual	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	71

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE DEERFIELD SCHOOL DISTRICT
TABLE OF CONTENTS**

FINANCIAL SECTION (Continued)

<u>Exhibit</u>	<u>Page</u>
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	72
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	73
L-2 Schedule of District Contributions – PERS	74
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	75
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability – and Related Ratios	76
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis includes Student Activity and Scholarship Funds	77-78
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	79
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-2A-B Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	N/A
Not Used	80-83

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE DEERFIELD TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS**

FINANCIAL SECTION (Continued)

<u>Exhibit</u>	<u>Page</u>
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	84
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	85
G-3 Combining Schedule of Cash Flows	86
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	89
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	90
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	92

Pages 93-95 Not Used

STATISTICAL SECTION (Unaudited)

J. Introduction to the Statistical Section	
Financial Trends Information/Schedules	
J-1 Net Position by Component	96
J-2 Changes in Net Position	97
J-3 Fund Balances - Governmental Funds	98
J-4 Changes in Fund Balances - Governmental Funds	99
J-5 General Fund Other Local Revenue by Source	100
Revenue Capacity Information	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	101
J-7 Direct and Overlapping Property Tax Rates	102
J-8 Principal Property Taxpayers	103
J-9 Property Tax Levies and Collections	104
Debt Capacity Information	
J-10 Ratios of Outstanding Debt by Type	105
J-11 Ratios of General Bonded Debt Outstanding	106
J-12 Direct and Overlapping Governmental Activities Debt	107
J-13 Legal Debt Margin Information	108

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE DEERFIELDTOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS**

FINANCIAL SECTION (Continued)

<u>Exhibit</u>	<u>Page</u>
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	109
J-15 Principal Employers	110
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	111
J-17 Operating Statistics	112
J-18 School Building Information	113
J-19 Schedule of Required Maintenance Expenditures by School Facility	114
J-20 Insurance Schedule	115

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	116-117
K-2	Report on Compliance for Each Major Program on Internal Control Over Compliance Required by Uniform Guidance and New Jersey OMB Circular 15-08	118-120
K-3	Schedule of Expenditures of Federal Awards - Schedule A	121
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	122
K-5	Notes to the Schedules of Awards and Financial Assistance	123-124
K-6	Schedule of Findings and Questioned Costs <ul style="list-style-type: none"> - Section I - Summary of Auditor's Reports - Section II - Financial Statement Findings - Section III - Federal Awards and State Financial Assistance Findings and Questioned Cost 	125-129
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	129

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 12, 2024

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, 2024, 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 2023-24 fiscal year with a June enrollment of 318 students, which is 1 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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	318	.32%
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%

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 as the district was notified in January 2024 that it would no longer be in comprehensive status.

3. MAJOR INITIATIVES (CONTINUED):

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 2024-2025 school year is creating a more robust modifications opportunities and aligning our curriculum to newly implemented programs in ELA, math and science.

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
- 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 2024-25 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, 2024.

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, 2024, the School District had \$1,499,886 in outstanding debt. Of this amount, \$285,000 was for Serial Bonds Payable and \$98,371 is for compensated absences. The District also reported a Net Pension Liability of \$1,116,515 in accordance with GASB #68 and there was no Right-to-Use Liability.

At June 30, 2024, the School District's overall legal debt margin was \$7,346,129 and the unvoted debt margin was \$7,061,129, or 96% 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,

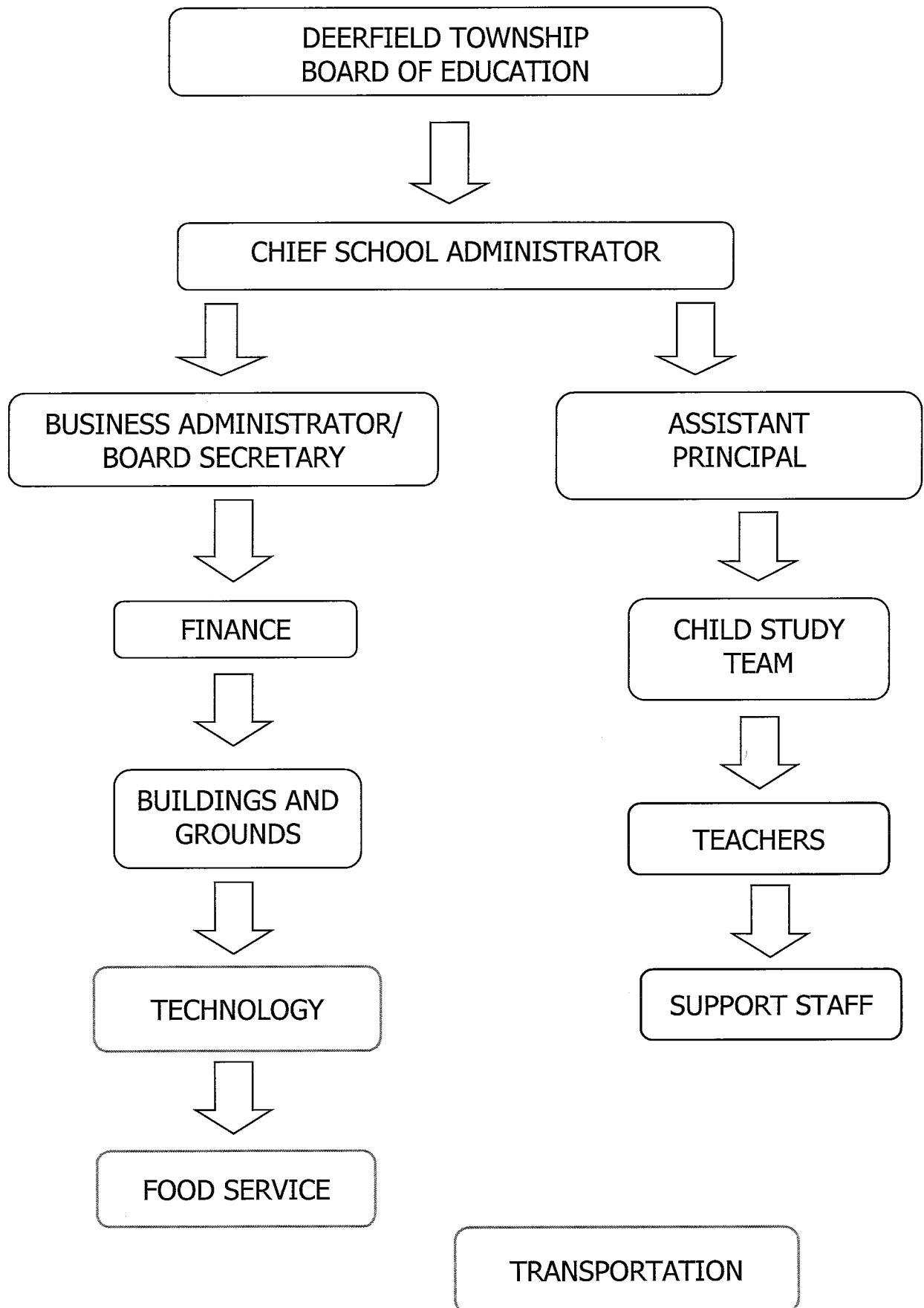
Dina Rossi

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, 2024

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Pepi Dragotta, President	2024
Jenna Harvey Vice President	2024
John Schwab	2024
Jason Scythes	2025
Cindy Streater	2025
Adam Vera	2025
Julie Brago	2026
<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Dr. Dina Rossi, Superintendent/Principal	
Joseph Giambri, Business Admin/Board Secretary	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
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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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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, and each major fund 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, 2024, 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, and each major fund, of the Board of Education of the Deerfield Township School District in the County of Cumberland, State of New Jersey, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our 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 School District'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 auditing standards generally accepted in the United States of America and *Government 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 auditing standards generally accepted in the United States of America and *Government 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 12, 2024 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 12, 2024

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, 2024. 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 2024 compared to fiscal year 2023

	June 30, 2024	June 30, 2023	Increase/ (Decrease)	Percentage Change
Current & Other Assets	\$ 2,279,627	\$ 2,505,610	\$ (225,983)	24.3%
Capital Assets, Net	2,699,070	2,622,117	76,953	(4.2)%
Total Assets	4,978,697	5,127,727	(149,030)	9.7%
Deferred Outflow of Resources	659,599	113,245	546,354	5.2%
Current and Other Liabilities	592,067	643,947	(51,880)	21.5%
Noncurrent Liabilities	1,499,886	1,062,111	437,775	(5.0)%
Total Liabilities	2,091,953	1,706,058	385,895	5.0%
Deferred Inflow of Resources	115,802	186,800	(70,998)	(119.8)%
Net Position:				
Net Investment in Capital Assets	2,505,612	2,327,753	177,859	5.7%
Restricted	756,588	785,919	(29,331)	45.0%
Unrestricted (Deficit)	168,341	234,442	(66,101)	368.6%
Total Net Position	\$ 3,430,541	\$ 3,348,114	\$ 82,427	19.2%

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

Table 2 Summary of Changes in Net Position for 2024 compared to fiscal year 2023

Federal & State Aid	4,265,340	3,224,631	1,040,709	18.0%
Other General Revenues	(27,595)	53,819	(81,414)	13.7%
Total Revenues	\$ 9,581,485	\$ 8,324,614	\$1,256,871	5.5%
Function/Program Expenditures				
Regular Instruction	\$ 2,798,845	\$ 2,612,271	\$ 186,574	4.9%
Special Education Instruction	570,472	489,032	81,440	(5.4)%
Other Instruction	14,793	25,419	(10,626)	(40.2)%
Tuition	15,564	57,447	(41,883)	25.6%
Student & Instruction Related Services	1,008,732	942,180	66,552	4.3%
General Administrative	204,542	198,190	6,352	(4.3)%
School Administrative Services	76,085	90,230	(14,145)	(81.4)%
Central Services	167,310	166,397	913	(4.5)%
Plant Operations & Maintenance	665,112	571,724	93,388	13.30%
Pupil Transportation	516,312	477,543	38,769	12.10%
Unallocated Benefits	2,845,746	1,466,324	1,379,422	4.40%
Transfer to Charter Schools	158,203	102,979	55,224	8.74%
Interest & Other Charges	31,315	34,201	(2,886)	(104.8)%
Unallocated Depreciation	194,049	186,695	7,354	(1.8)%
Food Service	231,978	260,687	(28,709)	18.10%
Total Expenditures	9,499,058	7,681,319	1,817,739	1.10%
Change in Net Position	82,427	643,295	(560,868)	58.10%
Net Position - Beginning	3,348,114	2,704,819	643,295	10.00%
Net Position - Ending	\$ 3,430,541	\$ 3,348,114	\$ 82,427	19.20%

Governmental Activities

During the fiscal year 2024, the net position of governmental activities increased by \$61,924 or 2.0%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$3,218,475, with an unrestricted fund balance of \$2,114. 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)	\$ (2,114)
Add Back: PERS Pension Liability	1,116,515
Less: Deferred Outflows related to pensions	(659,599)
Add Back: Deferred Inflows related to pensions	115,802
Unrestricted Net Position (Without GASB 68)	<u>\$ 570,604</u>

Business-type Activities

During the fiscal year 2024, the net position of business-type activities increased by \$20,503.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$212,066.

General Fund Budgeting Highlights

While the District's original general fund budget anticipated using \$452,929 in fund balance, the actual results for the year show a decrease of \$61,083, as shown on Exhibit C-1.

- ❖ Actual revenues were \$149,088 more than expected, excluding on-behalf pension, social security and long-term disability reimbursements of \$1,377,221, reflecting positive variances of \$32,588 in local revenues and \$116,500 in state aids.
- ❖ Actual expenditures were \$341,516 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 \$1,377,221.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$1,882,560 at June 30, 2024, a decrease of \$61,083 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 \$1,522,313, a decrease of \$160,353 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$116,566 to \$1,597,916 at June 30, 2024. 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 \$442,806.
- Local Source Revenue increased by \$73,114.
- Transfer was made for \$158,203 to a Charter School and \$28,090 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 \$43,786 to (\$75,603) at June 30, 2024, made up by Student Activity funds of \$5,858, offset by the Preschool Program for \$81,461.

Debt service fund – During the current fiscal year, the fund balance of the School District's Debt Service fund decreased to zero at June 30, 2024.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$20,503 to \$212,066 at June 30, 2024.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$2,699,070 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$76,953. Table 4 shows fiscal 2024 balances compared to 2023.

Table 4 Summary of Capital Assets

Capital Assets (Net of Depreciation)	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Land	\$ 15,698	\$ 15,698	\$	0.0%
Building and Improvements	2,281,972	2,428,178	(146,206)	(6.8)%
Equipment	401,400	178,241	223,159	31.0%
	<u>\$ 2,699,070</u>	<u>\$ 2,622,117</u>	<u>\$ 76,953</u>	<u>(4.2)%</u>

The decrease in fixed assets represented Depreciation expense for the year was \$196,914, offset by additions of \$273,867. General Government additions were \$236,406 and Food Service additions were \$37,461. 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 \$285,000 which is a decrease of \$100,000 from the prior year. There was also \$98,371 in Compensated Absences and Net Pension Liability of \$1,116,515. The amount of Unvoted Debt, as of June 30, 2024 is \$7,061,129.

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

Factors on the School District's Future

The Districts' goal is to develop a balanced budget that meets various needs, including updating curriculum, maintaining extracurricular programs, integrating new technology, addressing maintenance, and ensuring adequate staffing. The district relies on local and state funds, and with the full implementation of S2, it will need to closely monitor these funds

The district is also will continue to explore Shared Service opportunities to reduce costs. Additionally, an increase in Preschool Education aid, along with a growing student preschool population, the district hopes to see a boost state funding and due to its overall enrollment.

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, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,094,537	\$ 136,108	\$ 1,230,645
Receivables, Net	1,002,283	38,717	1,041,000
Inventory		7,982	7,982
Capital Assets, Net (Note 5):	2,653,231	45,839	2,699,070
Total Assets	<u>4,750,051</u>	<u>228,646</u>	<u>4,978,697</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>659,599</u>		<u>659,599</u>
LIABILITIES			
Accounts Payable	201,480		201,480
Accrued Interest	980		980
Unearned Revenue	373,027	16,580	389,607
Non-current Liabilities (Note 7):			
Due Within One Year	111,460		111,460
Due Beyond One Year	1,388,426		1,388,426
Total Liabilities	<u>2,075,373</u>	<u>16,580</u>	<u>2,091,953</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>115,802</u>		<u>115,802</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	2,459,773	45,839	2,505,612
Restricted for:			
Student Activities	5,858		5,858
Other Purposes	750,730		750,730
Unrestricted	2,114	166,227	168,341
Total Net Position	<u>\$ 3,218,475</u>	<u>\$ 212,066</u>	<u>\$ 3,430,541</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, 2024

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	\$ 2,798,845	\$	\$ 952,196	\$ (1,846,649)	\$	\$ (1,846,649)
Special Education	545,489			(545,489)		(545,489)
Other Special Instruction	24,983			(24,983)		(24,983)
Other Instruction	14,793			(14,793)		(14,793)
Support Services:						
Tuition	15,564			(15,564)		(15,564)
Student & Instruction Related Services	1,008,732		319,542	(689,190)		(689,190)
General and Business Administrative Services	204,542			(204,542)		(204,542)
School Administrative Services	76,085			(76,085)		(76,085)
Central Services	167,310			(167,310)		(167,310)
Plant Operations and Maintenance	665,112			(665,112)		(665,112)
Pupil Transportation	516,312			(516,312)		(516,312)
Employee Benefits	2,845,746		649,820	(2,195,926)		(2,195,926)
Interest on Long-term Debt	31,315			(31,315)		(31,315)
Unallocated Depreciation	194,049			(194,049)		(194,049)
Total Governmental Activities	9,108,877		1,921,558	(7,187,319)		(7,187,319)
Business-type Activities:						
Food Service	231,978	53,743	198,738		20,503	20,503
Extended Day						
Total Business-type Activities	231,978	53,743	198,738		20,503	20,503
Total Primary Government	\$9,340,855	\$ 53,743	\$ 2,120,296	\$ (7,187,319)	\$ 20,503	\$ (7,166,816)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 3,055,883	\$	\$ 3,055,883
Taxes Levied for Debt Service				113,818		113,818
Federal, State and Local Aid not Restricted				4,265,340		4,265,340
Investment Earnings				9,974		9,974
Rents				23,634		23,634
Miscellaneous Income				37,529		37,529
Special Items:						
Transfer to Charter School				(158,203)		(158,203)
Cancellation of Prior Year Grant Receivables				(98,732)		(98,732)
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,249,243		7,249,243
Change in Net Position				61,924	20,503	82,427
Net Position—Beginning				3,156,551	191,563	3,348,114
Net Position—Ending				\$ 3,218,475	\$ 212,066	\$ 3,430,541

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, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 721,239	\$ 96,652	\$	\$ 817,891
Restricted Cash and Cash Equivalents	305,855			305,855
Due from Other Funds	240,979			240,979
State Aid Receivable	117,316	7,714		125,030
Federal Aid Receivable		613,114		613,114
Local District Tax Receivable	264,139			264,139
Total Assets	<u>\$ 1,649,528</u>	<u>\$ 717,480</u>	<u>\$</u>	<u>\$ 2,367,008</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 8,569	\$ 178,519	\$	\$ 187,088
Payroll Deductions Payable	13,834			13,834
Due to Grantor		558		558
Due to Other Funds	29,209	240,979		270,188
Unearned Revenue		373,027		373,027
Total Liabilities	<u>51,612</u>	<u>793,083</u>		<u>844,695</u>
Fund Balances:				
Restricted For:				
Excess Surplus	279,608			279,608
Excess Surplus - Designated for Subsequent Year's Expenditures	256,809			256,809
Student Activity		5,858		5,858
Capital Reserve	91,542			91,542
Maintenance Reserve	214,313			214,313
Assigned:				
Designated for Subsequent Year's Expenditure	681,106			681,106
Unassigned, Reported in:				
General Fund (Deficit)	74,538			74,538
Special Revenue Fund (Deficit)		(81,461)		(81,461)
Total Fund Balances	<u>1,597,916</u>	<u>(75,603)</u>		<u>1,522,313</u>
Total Liabilities and Fund Balances	<u>\$ 1,649,528</u>	<u>\$ 717,480</u>	<u>\$</u>	

Amounts reported for *governmental activities* in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,934,961 and the accumulated depreciation is \$5,281,730 (See Note 5)	2,653,231
Long Term Net Pension Liability	(1,116,515)
Deferred Pension Outflows	659,599
Deferred Pension Inflows	(115,802)
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.	(980)
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).	(383,371)
Net Position of Governmental Activities	<u>\$ 3,218,475</u>

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, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 3,055,883	\$	\$ 113,818	\$ 3,169,701
Interest Earned on Investments	9,974			9,974
Rents	23,634			23,634
Miscellaneous Local Sources	27,154	10,375		37,529
Total - Local Sources	3,116,645	10,375	113,818	3,240,838
State Sources	4,353,127	929,175		5,282,302
Federal Sources		681,035		681,035
Total Revenues	7,469,772	1,620,585	113,818	9,204,175
EXPENDITURES				
Current:				
Regular Instruction	1,846,649	952,196		2,798,845
Special Education Instruction	545,489			545,489
Other Special Instruction	24,983			24,983
Other Instruction	14,793			14,793
Support Services:				
Tuition	15,564			15,564
Student & Instruction Related Services	689,190	319,542		1,008,732
General Administrative Services	204,542			204,542
School Administrative Services	76,085			76,085
Central Services	167,310			167,310
Plant Operations and Maintenance	665,112			665,112
Pupil Transportation	516,312			516,312
Employee Benefits	2,514,449	187,313		2,701,762
Debt Service:				
Interest and Other Charges			13,819	13,819
Principal			100,000	100,000
Capital Outlay	20,835	233,410		254,245
Total Expenditures	7,301,313	1,692,461	113,819	9,107,593
Excess (Deficiency) of Revenues over Expenditures	168,459	(71,876)	(1)	96,582
OTHER FINANCING SOURCES (USES)				
Operating Transfer out - Charter Schools	(158,203)			(158,203)
Cancellation of Prior Year Grant Receivables	(98,732)			(98,732)
Transfer to Preschool Program	(28,090)	28,090		
Total Other Financing Sources and Uses	(285,025)	28,090		(256,935)
Net Change in Fund Balances	(116,566)	(43,786)	(1)	(160,353)
Fund Balance - July 1 (Deficit)	1,714,482	(31,817)	1	1,682,666
Fund Balance - June 30	\$ 1,597,916	\$ (75,603)	\$	\$ 1,522,313

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, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	(160,353)
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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	\$	(194,049)	
Capital Lease Principal paid in Operating Budget			
Capital Outlays		236,406	
			42,357

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.		100,000
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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.		343

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.		83,658
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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).		(4,081)
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Change in Net Position of Governmental Activities (A-2)	\$	61,924
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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, 2024

	Business-type Activities - Enterprise Funds		Shared Services Fund
	Food Service	Totals	
ASSETS			
Current Assets:			
Cash	\$ 136,108	\$ 136,108	\$
Interfund Receivable	29,209	29,209	
Accounts Receivable	9,508	9,508	
Inventories	7,982	7,982	
Total Current Assets	182,807	182,807	
Fixed Assets:			
Equipment	161,020	161,020	
Accumulated Depreciation	(115,181)	(115,181)	
Total Fixed Assets	45,839	45,839	
Total Assets	228,646	228,646	
LIABILITIES:			
Current Liabilities:			
Accounts Payable	11,855	11,855	
Unearned Revenue	4,725	4,725	
Total Current Liabilities	16,580	16,580	
NET POSITION			
Invested in Capital Assets Net of Related Debt	45,839	45,839	
Unrestricted	166,227	166,227	
Total Net Position	\$ 212,066	\$ 212,066	\$

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, 2024

	Business-type Activities - Enterprise Fund		Shared Services Fund
	Food Service	Total Enterprise	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 34,019	\$ 34,019	\$
Daily Sales - Non-reimbursable Programs	19,724	19,724	
Total Operating Revenue:	53,743	53,743	
Operating Expenses:			
Salaries	67,436	67,436	
Employee Benefits	20,913	20,913	
Supplies and Materials	12,544	12,544	
Depreciation	2,865	2,865	
Cost of Sales	102,864	102,864	
Equipment	4,050	4,050	
Management Fee	13,136	13,136	
Repairs and Other Expenses	8,170	8,170	
Total Operating Expenses	231,978	231,978	
Operating Income (Loss)	(178,235)	(178,235)	
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	688	688	
State School Lunch Program	4,237	4,237	
Summer-EBT Administrative Cost	321	321	
Federal Sources:			
National School Breakfast Program	27,849	27,849	
National School Lunch Program	109,384	109,384	
Supply Chain Assistance Funding	12,159	12,159	
Summer-EBT Administrative Cost	322	322	
Equipment Assistance Grant	20,000	20,000	
Local Food for Schools	1,742	1,742	
Food Distribution Program	22,036	22,036	
Total Non-operating Revenues (Expenses)	198,738	198,738	
Income (Loss) before Contributions & Transfers	20,503	20,503	
Transfers			
Change in Net Position	20,503	20,503	
Total Net Position—Beginning	191,563	191,563	
Total Net Position—Ending	\$ 212,066	\$ 212,066	\$

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, 2024

	Business-type Activities Enterprise Funds		Shared Services Fund
	Food Service	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 53,743	\$ 53,743	\$
Payments to Employees	(67,436)	(67,436)	
Payments for Employee Benefits	(20,913)	(20,913)	
Payments to Suppliers	(93,106)	(93,106)	
Net Cash Provided by (used for) Operating Activities	(127,712)	(127,712)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,246	5,246	
Federal Sources	193,492	193,492	
Operating Subsidies and Transfers to Other Funds			
Net Cash Provided by (used for) Non-capital Financing Activities	198,738	198,738	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(37,461)	(37,461)	
Net Cash Provided by (used for) Capital and Related Financing Activities	(37,461)	(37,461)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends			
Net Cash Provided by (used for) Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	33,565	33,565	(787)
Balances—Beginning of Year	102,543	102,543	787
Balances—End of Year	\$ 136,108	\$ 136,108	\$
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Operating Income (Loss)	\$ (178,235)	\$ (178,235)	\$
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Depreciation and Net Amortization	2,865	2,865	
(Increase)/Decrease in Accounts Receivable	45,321	45,321	
(Increase)/Decrease in Inventory	(4,059)	(4,059)	
(Increase)/Decrease in Interfund Receivable	(653)	(653)	
Increase/(Decrease) in Accounts Payable	6,201	6,201	
Increase (Decrease) in Due to General			
Increase (Decrease) in Unearned Revenue	848	848	
Total Adjustments	50,523	50,523	
Net Cash Provided by (used for) Operating Activities	\$ (127,712)	\$ (127,712)	\$

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$21,030 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, 2024

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, 2024 of 319 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, 2024.

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, 2024

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 decreases (expenses) in total net position.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024 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, 2024, there was an Inventory balance of \$7,982, comprised of \$2,826 in Commodities and \$1,869 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, 2024

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, 2024

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, 2024.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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

The School District has adopted the following GASB statements:

- 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. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The adoption of GASB 99 impacted the financial statements of the School District.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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

- 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. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The adoption of GASB 100 impacted the financial statements of the School District.

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

- 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.
- GASB Statement No. 102 - *Certain Risk Disclosures*: This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.
- GASB Statement No. 103 - *Financial Reporting Model Improvements*: This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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, 2024, the District's bank balance of \$1,494,280.49 exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	450,702
Uninsured and Uncollateralized		<u>1,043,578</u>
	\$	<u>1,494,280</u>
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 817,891
Enterprise funds, Statement of Net Position	B-4	136,108
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>305,855</u>
Total Cash		<u>\$1,259,854</u>

Investments

The District has one cash equivalent investment at June 30, 2024 in the amount of \$200,802.

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, 2024

Note 3. Reserve Accounts (continued)

A. Capital Reserve- Continued

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$	90,636
Increased by:		
Interest Earnings		<u>906</u>
Ending Balance, June 30, 2024	\$	<u>91,542</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, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$	212,192
Increased by:		
Interest Earnings		<u>2,121</u>
Ending Balance, June 30, 2024	\$	<u>214,313</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2024 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:

		General	Special		Enterprise		Total
Receivables:		Fund	Revenue		Funds		
Governmental	\$	381,455	\$	620,828	\$	8,634	\$ 1,010,917
Other						874	874
Totals	\$	<u>381,455</u>	\$	<u>620,828</u>	\$	<u>9,508</u>	<u>\$ 1,011,791</u>

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

Note 5. Capital Assets

The Capital asset activity for the year ended June 30, 2024 was as follows

	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
Governmental activities:				
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	1,302,896	236,406		1,539,302
Totals at historical cost	<u>7,682,857</u>	<u>236,406</u>		<u>7,919,263</u>
Less accumulated depreciation and Amortization				
Building and improvements	(3,921,855)	(145,175)		(4,067,030)
Land improvements	(29,928)	(1,031)		(30,959)
Furniture and Equipment	(1,135,898)	(47,843)		(1,183,741)
Total accumulated depreciation and Amortization	<u>(5,087,681)</u>	<u>(194,049)</u>		<u>(5,281,730)</u>
Total capital assets being depreciated and amortized, net of accumulated depreciation and amortization	<u>2,595,176</u>	<u>42,357</u>		<u>2,637,533</u>
Government activities capital assets, net	<u>\$ 2,610,874</u>	<u>\$ 42,357</u>	<u>\$</u>	<u>\$ 2,653,231</u>
	To A-1			To A-1
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 123,559	\$ 37,461	\$	\$ 161,020
Less accumulated depreciation for :				
Equipment	(112,316)	(2,865)		(115,181)
Business-type activities capital assets, net	<u>\$ 11,243</u>	<u>\$ 34,596</u>	<u>\$</u>	<u>\$ 45,839</u>

* Depreciation expense was charged to governmental functions as follows:

Instructional	\$
Administration	
Unallocated Depreciation	194,049
Total depreciation expense	<u>\$ 194,049</u>

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2024 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 240,979	\$ 29,209
Special Revenue Fund		240,979
Enterprise Fund	29,209	
Total	\$ 270,188	\$ 270,188

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2024 the following changes occurred in long-term obligations:

	Beginning Balance 7/1/23	Additions	Reductions	Ending Balance 6/30/24	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General Obligation Bonds	\$ 385,000	\$	\$ (100,000)	\$ 285,000	\$ 100,000	\$ 185,000
Total Bonds Payable	385,000		(100,000)	285,000	100,000	185,000
Other Liabilities:						
Compensated absences payable	94,290	4,081		98,371	11,460	86,911
Net Pension Liability	582,821	533,694		1,116,515		1,116,515
Total Other Liabilities	677,111	537,775		1,214,886	11,460	1,203,426
Total Long-term Obligations	\$ 1,062,111	\$ 537,775	\$ (100,000)	\$ 1,499,886	\$ 111,460	\$ 1,388,426

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, 2024

Note 7. Long-Term Obligations (continued)

A. Bonds Payable: Continued

The \$1,460,000 in 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 was 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>
2025	\$ 100,000	\$ 9,694	\$ 109,694
2026	100,000	5,569	105,569
2027	85,000	1,753	86,753
	<u>\$ 285,000</u>	<u>\$ 17,016</u>	<u>\$ 302,016</u>

Bonds Authorized But Not Issued:

As of June 30, 2024, the District had no authorized but not issued bonds.

B. Loans Payable

There were no loans payable as of June 30, 2024.

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, 2024

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.state.nj.us/treasury/pensions/annual-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, 2023 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2024 were \$46,644. 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 2024 is 17.11% 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, 2024, and 2023, were \$103,025 and \$48,701 respectively.

The total payroll for the year ended June 30, 2024 was \$3,920,393. Payroll covered by PERS was \$621,916 for fiscal year 2024.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2024, the District's proportionate share of the PERS net pension liability was \$1,116,515. The net pension liability was measured as of June 30, 2023. 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, 2023. The District's proportion measured as of June 30, 2023 was 0.007708% which was an increase of 0.00385% from its proportion measured as of June 30, 2022.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2024 PERS pension expense, with respect to GASB 68, was \$73,690. The District's 2024 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,675	\$ 4,564
Changes of assumptions	2,453	67,666
Net difference between projected and actual earnings on pension plan investments	5,142	
Changes in proportion	538,304	43,572
Contributions subsequent to the measurement date	103,025	
Total	\$ 659,599	\$ 115,802

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

Year	PERS
2024	\$ 132,005
2025	121,195
2026	59,847
2027	118,120
2028	9,605
Thereafter	
Total	\$ 440,772

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2024 and 2023 are as follows:

Year		2024		2023
Collective deferred outflows of resources	\$	659,599	\$	113,245
Collective deferred inflows of resources	\$	115,802	\$	186,800
Collective Net Pension Liability	\$	1,116,515	\$	582,821
District's Proportion		0.007708%		0.003862%

Actuarial Assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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, 2023) 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, 2023 are summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (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, 2023, 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	\$ 1,465,719	\$ 1,116,515	\$ 836,721

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.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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, 2023. 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 2023, 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, 2024 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$914,193 to the TPAF for pension contributions, \$248,810 for post-retirement benefits on behalf of the School, and \$521 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$213,697 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2024, 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, 2024, the District recognized pension expense of \$227,313 and revenue of \$227,313 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 – 4.25%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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, 2023 are summarized in the following table:

TPAF		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2024

NOTE 8. PENSION PLANS (CONTINUED)

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, 2023, 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	\$ 10,927,170	\$ 9,252,727	\$ 7,868,266
State's Share of the Net Pension Liability	\$ <u>60,267,919,597</u>	\$ <u>51,109,961,824</u>	\$ <u>43,396,784,734</u>

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
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, 2024, employee contributions totaled \$2,438 and the District's employer contribution, recognized in pension expense, was \$1,330. 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.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

Note 9. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB 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>.

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.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

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, 2023, was \$52,361,668,239. Of this amount, the total OPEB liability attributable to the School District was \$14,211,543. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.02714%. The total OPEB liability for the School District measured as of June 30, 2023 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, 2023 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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:

	TPAF/ABP	PERS	PFRS
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 disabled 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, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. 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.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967
Changes for the year:	
Service Cost	2,136,235,476
Interest	1,844,113,951
Changes of Benefit Terms	0
Differences between Expected and Actual	(980,424,863)
Changes of Assumptions	105,539,463
Benefit Payments	(1,437,516,858)
Contributions from Members	47,258,104
Net Changes	1,715,205,273
Balance as of June 30, 2023 Measurement Date	\$ 52,361,668,240

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2023		
At 1.00% Decrease 2.65%	At Discount Rate 3.65%	At 1.00% Increase 4.65%
\$ 61,385,066,712	52,361,668,239	45,116,926,835

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, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2023		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 43,468,257,358	52,361,668,239	63,998,719,320

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

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, 2024, the School District recognized OPEB expense of \$14,031. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,073,505	\$ (3,743,179)
Changes of Assumptions	2,020,899	(3,921,878)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	717,015	(1,849,920)
Contributions Subsequent to the Measurement Date		
Total	\$ 4,811,419	\$ (9,514,977)

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
2024	\$ 2,590,193
2025	2,590,193
2026	2,685,831
2027	2,435,460
2028	1,891,679
Thereafter	2,133,040
Total	\$ 14,326,396

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, 2024

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, 2024 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Lincoln Investment Planning, Inc.
Siracusa 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, 2024

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, 2024 is \$98,371.

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, 2024 was \$536,417, of which \$256,809 was budgeted in the 2024-2025 budget and \$279,608 is to be budgeted in the 2025-2026 budget.

Note 18. Fund Balance

General Fund – Of the \$1,597,916 General Fund balance at June 30, 2024, \$91,542 has been reserved in the Capital Reserve Account; \$214,313 has been reserved in the Maintenance Reserve Account; \$536,417 is restricted for current year excess surplus; \$256,809 is restricted for excess surplus – designated for subsequent year's expenditures; \$0 is assigned to Encumbrances; \$681,106 is designated for subsequent year's expenditures and \$74,538 is unassigned.

Special Revenue Fund – Of the (\$75,603) Special Revenue Fund balance at June 30, 2024, \$5,858 has been reserved for Student Activities and (\$81,461) is unassigned.

Debt Service Fund – There is no Debt Service Fund balance at June 30, 2024 to be restricted for future debt service payments.

DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR JUNE 30, 2024

Note 19. Deficit in Net Position

Unrestricted Net Position

The School District had a deficit in unassigned Special Revenue Fund balance at June 30, 2024 in the amount of (\$81,461). This deficit was caused by the deferral of the last two state preschool aid payments received in the 2024-2025 school year.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and December 12, 2024, 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, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,055,883	\$	\$ 3,055,883	3,055,883	\$
Interest on Investments				6,947	6,947
Interest on Investments - Maintenance Reserve	25		25	2,121	2,096
Interest on Investments - Capital Reserve	15		15	906	891
Miscellaneous	4,500		4,500	27,154	22,654
Rents and Royalties	23,634		23,634	23,634	
Total - Local Sources	3,084,057		3,084,057	3,116,645	32,588
State Sources:					
Equalization Aid	2,554,923		2,554,923	2,554,923	
Categorical Transportation Aid	95,887		95,887	95,887	
Categorical Special Education Aid	218,445		218,445	218,445	
Categorical Security Aid	45,634		45,634	45,634	
Extraordinary Aid				98,717	98,717
Non-Public Transportation Aid				10,465	10,465
Homeless Tuition Reimbursement				7,318	7,318
On-behalf TPAF Pension Contribution				914,193	914,193
On-behalf TPAF Post Retirement Medical Contribution				248,810	248,810
On-behalf TPAF Long-term Disability Contribution				521	521
Reimbursement TPAF Social Security				213,697	213,697
Total - State Sources	2,914,889		2,914,889	4,408,610	1,493,721
Federal Sources:					
Medicaid Assistance (SEMI)					
Total - Federal Sources					
TOTAL REVENUES	\$ 5,998,946	\$	\$ 5,998,946	7,525,255	\$ 1,526,309
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	197,119	722	197,841	197,533	308
Grades 1-5	910,479	21,529	932,008	921,937	10,071
Grades 6-8	550,153	5,180	555,333	548,599	6,734
Home Instruction:					
Salaries of Teachers	6,000	(3,261)	2,739	2,716	23
Other Salaries for Instruction		26	26		26
Purchased Professional Educational Services		5,057	5,057	5,056	1
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction		53,839	53,839	53,838	1
Purchased Professional Educational Services	2,500	(2,500)			
Other Purchased Services	71,947	(5,568)	66,379	65,412	967
General Supplies	87,620	(35,810)	51,810	51,558	252
Textbooks	500	(500)			
Total Regular Programs	1,826,318	38,714	1,865,032	1,846,649	18,383

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Special Education					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers					
Other Salaries for Instructions					
General Supplies					
Total Learning/Language Disabled					
Multiple Disabilities:					
Salaries of Teachers	\$	146,349	\$ 146,349	\$ 146,349	\$
Total Multiple Disabilities		146,349	146,349	146,349	
Resource Room:					
Salaries of Teachers	396,515	(119,155)	277,360	277,346	14
Other Salaries for Instructions	89,236	30,968	120,204	117,695	2,509
General Supplies	2,100	1,999	4,099	4,099	
Total Resource Room	487,851	(86,188)	401,663	399,140	2,523
Preschool Disabilities					
Salaries of Teachers					
Total Preschool Disabilities					
TOTAL SPECIAL EDUCATION	487,851	60,161	548,012	545,489	2,523
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	24,898	(499)	24,399	24,398	1
General Supplies	400	186	586	585	1
Total Basic Skills/Remedial Instruction	25,298	(313)	24,985	24,983	2
Bilingual Education - Instruction:					
Salaries of Teachers	73,271	(73,271)			
Total Bilingual Instruction	73,271	(73,271)			
School Sponsored Co-curricular Activities:					
Salaries	9,522		9,522	9,048	474
Supplies and Materials	500	(209)	291		291
Purchased Services(300-500)	100		100		100
Total School Sponsored Co-curricular Activities	10,122	(209)	9,913	9,048	865
School Sponsored Athletics:					
Salaries	11,600	(72)	11,528	4,500	7,028
Supplies and Materials	1,000	246	1,246	1,245	1
Total School Sponsored Athletics	12,600	174	12,774	5,745	7,029
Total Instruction	2,435,460	25,256	2,460,716	2,431,914	28,802
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	34,433	(31,933)	2,500	2,500	
Tuition - Co Spec Serv. Dtdt. & Regional Day Schools	47,654	(34,447)	13,207	13,064	143
Total Undistributed Expenditures - Instruction	82,087	(66,380)	15,707	15,564	143

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENDITURES: (Continued)					
Attendance and Social Work Services:					
Salaries	\$ 12,648	\$ 624	\$ 13,272	\$ 13,272	\$
Other Purchd Serv	9,830		9,830	9,830	
Total Attendance and Social Work Services	22,478	624	23,102	23,102	
Health Services:					
Salaries	71,238	1,870	73,108	72,744	364
Purch Prof/ Tech Services	3,850	(757)	3,093	3,093	
Other Purchased Services	1,000	9,181	10,181	10,181	
Supplies and Materials	2,500	(1,277)	1,223	1,223	
Other Objects	1,000	(752)	248	247	1
Total Health Services	79,588	8,265	87,853	87,488	365
Speech, OT, PT & Related Services:					
Salaries					
Purchased Prof - Education Services	111,700	49,584	161,284	161,283	1
Supplies and Materials	500	(500)			
Total Speech, OT, PT & Related Services	112,200	49,084	161,284	161,283	1
Other Support Services - Extraordinary Services:					
Salaries	229,339	(15,527)	213,812	84,800	129,012
Total Other Support Services - Extraordinary Services	229,339	(15,527)	213,812	84,800	129,012
Other Support Services - Students-Regular Guidance:					
Salaries Other Professional Staff	82,828	(1,300)	81,528	81,526	2
Other Purchased Services	500	(72)	428	292	136
Supplies and Materials	500	(200)	300		300
Total Other Support Services - Students-Regular Guidance	83,828	(1,572)	82,256	81,818	438
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	96,683	(16,330)	80,353	78,578	1,775
Salaries of Secretarial and Clerical Asstants	44,562		44,562	39,764	4,798
Purchased Professional - Educational Services	33,600		33,600		33,600
Misch Purch		4,468	4,468	4,468	
Supplies and Materials	1,000	(164)	836	127	709
Other Objects	100		100		100
Other Purchased Services(400-500 series)	4,304	(4,304)			
Total Other Support Services - Students- Child Study Teams	180,249	(16,330)	163,919	122,937	40,982
Improvement of Instructional Services:					
Salaries Superv of Instr					
Salaries of Other Professional Staff	84,075		84,075	82,751	1,324
Salaries of Secretarial and Clerical Assistants	17,597	312	17,909	17,908	1
Supplies and Materials	600		600		600
Total Improvement of Instructional Services	102,272	312	102,584	100,659	1,925
Educational Media Services/School Library:					
Supplies and Materials	2,000	(415)	1,585	772	813
Total Educational Media Services/School Library	2,000	(415)	1,585	772	813

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Salaries - Supervisor of Instruction	\$ 22,586	\$ 3,746	\$ 26,332	\$ 26,331	\$ 1
Supplies and Materials	500	(500)			
Total Inst. Staff Training Services	23,086	3,246	26,332	26,331	1
Support Services General Administration:					
Salaries	35,884	(841)	35,043	35,006	37
Legal Services	35,000	(24,177)	10,823	6,195	4,628
Audit Fees	21,000	7,800	28,800	28,800	
Architectural/Engineering Services	15,000	(4,800)	10,200	7,140	3,060
Other Purchased Professional Services	54,000	16,601	70,601	69,326	1,275
Purchased Technical Services	3,500	2,334	5,834	5,833	1
Communication/Telephone	23,465	2,801	26,266	23,420	2,846
BOE Other Purchased Services	2,500		2,500	304	2,196
Miscellaneous Purchased Services	26,444	(1,500)	24,944	21,780	3,164
General Supplies	5,000	(4,000)	1,000	329	671
Miscellaneous Expenditures	2,500	80	2,580	2,580	
BOE Membership Dues and Fees	3,000	829	3,829	3,829	
Total Support Services General Administration	227,293	(4,873)	222,420	204,542	17,878
Support Services School Administration:					
Salaries of Other Prof Staff	67,758	(11,860)	55,898	50,170	5,728
Salaries of Secretarial and Clerical Assistants	17,058	3,015	20,073	19,882	191
Purchased Professional and Technical Services	3,500	1,536	5,036	5,035	1
Other Purchased Services	1,500		1,500		1,500
Supplies and Materials	1,500	(191)	1,309	998	311
Other Objects	1,500	(1,500)			
Total Support Services School Administration	92,816	(9,000)	83,816	76,085	7,731
Central Services:					
Salaries	139,129	900	140,029	139,983	46
Purchased Professional Services	2,000	(435)	1,565	1,565	
Purchased Technical Services	12,000	10,617	22,617	22,617	
Miscellaneous Purchased Services	3,000	(1,261)	1,739	107	1,632
Supplies and Materials	2,200	(622)	1,578	1,294	284
Other Objects		1,745	1,745	1,744	1
Miscellaneous Expenditures	1,200	(1,200)			
Total Central Services	159,529	9,744	169,273	167,310	1,963
Admin. Info. Technology:					
Other Purchased Services	12,000	(9,958)	2,042		2,042
Total Admin. Info. Technology	12,000	(9,958)	2,042		2,042
Required Maintenance for School Facilities:					
Salaries	55,687	1,100	56,787	56,727	60
Cleaning, Repair and Maintenance Services	107,016	(7,707)	99,309	91,033	8,276
General Supplies	16,745	(3,400)	13,345	8,913	4,432
Required Maintenance for School Facilities:	179,448	(10,007)	169,441	156,673	12,768

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Custodial Services:					
Salaries	\$	20,800	\$ 20,800	\$ 20,800	\$
Purchased Professional and Technical Services	203,700	6,500	210,200	210,138	62
Cleaning, Repair, and Maintenance Services	20,000	(16,193)	3,807	2,701	1,106
Insurance	33,816	5,293	39,109	39,108	1
Travel		212	212	212	
Miscellaneous Purchased Services	460	(150)	310		310
General Supplies	37,849	(5,600)	32,249	6,077	26,172
Energy (Natural Gas)	47,000	(5,362)	41,638	25,860	15,778
Energy (Electricity)	130,000		130,000	110,997	19,003
Total Custodial Services	472,825	5,500	478,325	415,893	62,432
Care and Upkeep of Grounds:					
Salaries	13,807		13,807	13,785	22
Cleaning, Repair and Maintenance Services	28,500	(11,955)	16,545.00	6,873	9,672
General Supplies	1,600	1,007	2,607	2,517	90
Total Care and Upkeep of Grounds	43,907	(10,948)	32,959	23,175	9,784
Security:					
Purchased Professional and Technical Services	69,000	(100)	68,900	64,370	4,530
General Supplies	10,000		10,000	5,001	4,999
Total Security	79,000	(100)	78,900	69,371	9,529
Total Operation and Maintenance of Plant Services	775,180	(15,555)	759,625	665,112	94,513
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transp. - Other than Between Home & Sch	17,988	214	18,202	18,133	69
Management Fee - ESC & CTSA Trans. Program	18,549	(958)	17,591	12,792	4,799
Contract. Services - Aid in Lieu of Payments - Nonpublic	27,594	(1,280)	26,314	25,292	1,022
Contract. Services - Aid in Lieu of Payments - Charter Sch	4,088	2,590	6,678	6,678	
Contract. Services - Aid in Lieu of Payments - Choice Sch.	26,572	3,788	30,360	29,998	362
Contracted Services (Home/School) - Vendor	12,318	(6,341)	5,977	5,977	
Contracted Services (Other Than Bet Home & Sch) Vendor		6,267	6,267	5,675	592
Cont. Serv. (Bet Home & Sch) Joint Agreements.	261,827	56,383	318,210	318,209	1
Contracted Services (Special Ed. Stud) - ECS	154,700	(61,049)	93,651	93,558	93
Total Student Transportation Services	523,636	(386)	523,250	516,312	6,938
Unallocated Benefits:					
Social Security Contributions	45,620	25,519	71,139	66,937	4,202
Other Retirement Contributions - PERS	48,316	55,305	103,621	103,621	
Unemployment Compensation	9,000	1,265	10,265	6,658	3,607
Workers Compensation	35,126	(2,500)	32,626	32,607	19
Health Benefits	905,797	(8,262)	897,535	897,435	100
Tuition Reimbursement	10,000	19,721	29,721	29,720	1
Other Employee Benefits	48,000	(47,750)	250	250	
Total Unallocated Benefits	1,101,859	43,298	1,145,157	1,137,228	7,929
On-behalf TPAF Pension Contributions				914,193	(914,193)
On-behalf TPAF Post Retirement Medical Contribution				248,810	(248,810)
On-behalf TPAF Long-term Disability Contribution				521	(521)
Reimbursement TPAF Social Security				213,697	(213,697)
Total Personal Services - Employee Benefits	1,101,859	43,298	1,145,157	2,514,449	(1,369,292)
Total Undistributed Expenditures	3,809,440	(25,423)	3,784,017	4,848,564	(1,064,547)
Interest Earned on Maintenance Reserve	25		25		25
Interest Earned on Emergency Reserve					
TOTAL EXPENDITURES - CURRENT EXPENSE	6,244,925	(167)	6,244,758	7,280,478	(1,035,720)

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$	\$	\$	\$	\$
Equipment:					
Undistributed Expenditures - School Admin.	2,996		2,996	2,996	
Undist. Expend. -Required Maint for school Fac.	55,031	(55,031)			
Total Equipment	58,027	(55,031)	2,996	2,996	
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	
Intrest Deposit to Capital Reserve	15		15		15
TOTAL CAPITAL OUTLAY	75,881	(55,031)	20,850	20,835	15
TOTAL EXPENDITURES	\$ 6,320,806	\$ (55,198)	\$ 6,265,608	\$ 7,301,313	\$ (1,035,705)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (321,860)	\$ 55,198	\$ (266,662)	\$ 223,942	\$ 490,604
Other financing sources (uses):					
Operating Transfer out - Charter Schools	(102,979)	(55,224)	(158,203)	(158,203)	
Cancellation of Prior Year Grant Receivables				(98,732)	(98,732)
Transfer to Preschool Program	(28,090)		(28,090)	(28,090)	
Total Other Financing Sources	(131,069)	(55,224)	(186,293)	(285,025)	(98,732)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(452,929)	(26)	(452,955)	(61,083)	391,872
Fund Balances, July 1	1,943,643		1,943,643	1,943,643	
Fund Balances, June 30	<u>\$ 1,490,714</u>	<u>\$ (26)</u>	<u>\$ 1,490,688</u>	<u>\$ 1,882,560</u>	<u>\$ 391,872</u>
RECAPITULATION :					
Reserved:					
Restricted Fund Balance:					
Excess Surplus				\$ 279,608	
Excess Surplus - Designated for Subsequent Year's Expenditures				256,809	
Capital Reserve				91,542	
Maintenance Reserve				214,313	
Assigned:					
Encumbrances					
Designated for Subsequent Year's Expenditures				681,106	
Unassigned Fund Balance				359,182	
				<u>1,882,560</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(284,644)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,597,916</u>	

DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 2,342,618	\$ (1,296,486)	\$ 1,046,132	\$ 707,276	\$ 338,856
State Sources		1,243,416	1,243,416	1,064,828	178,588
Local Sources		32,220	32,220	10,375	21,845
Total Revenues	<u>2,342,618</u>	<u>(20,850)</u>	<u>2,321,768</u>	<u>1,782,479</u>	<u>539,289</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,030,082	(423,927)	606,155	394,527	211,628
Salaries - Other Instruction	125,653	28,682	154,335	154,335	
Purchased Professional TECH. Services	10,000	(8,845)	1,155	979	176
Purchased Professional Ed Services		2,160	2,160		2,160
Other Purchased Services		8,246	8,246	8,246	
Tuition	71,294	30,396	101,690	101,690	
General Supplies	389,261	36,222	425,483	378,058	47,425
Total Instruction	<u>1,626,290</u>	<u>(327,066)</u>	<u>1,299,224</u>	<u>1,037,835</u>	<u>261,389</u>
Support Services					
Salaries of Teachers		42,507	42,507	16,431	26,076
Salaries - Supervisors of Instruction		40,963	40,963	40,904	59
Salaries - Prin/ Asst/ Program Dir.	54,206	(1,808)	52,398	41,458	10,940
Salaries - Other Professional Staff	15,452	47,389	62,841	24,729	38,112
Salaries - Family/ Parent Liaison	12,083	29,490	41,573	34,604	6,969
Personal Services-Employee Benefits	241,258	(21,068)	220,190	187,313	32,877
Purchased Professional Technical Services		76,920	76,920	42,835	34,085
Purchased Professional Ed Services	70,000	(57,607)	12,393	0.00	12,393
Purchased Property Services	10,000	7,974	17,974	7,974	10,000
Other Purchased Services		48,409	48,409	31,048	17,361
Rentals	23,634		23,634	23,634	
Student Activity		30,220	30,220	30,220	
Contracted Transportation Services	20,000		20,000	1,655	18,345
Travel	10,000		10,000	105	9,895
Supplies and Materials	95,000	(62,742)	32,258	31,480	778
Other Objects	20,000	(20,000)			
Total Support Services	<u>571,633</u>	<u>160,647</u>	<u>732,280</u>	<u>514,390</u>	<u>217,890</u>
Facilities Acquisition and Construction Services:					
Construction Services					
Instructional Equipment	144,695	58,000	202,695	5,825	196,870
Non-Instructional Equipment		87,569	87,569	274,364	(186,795)
Total Facilities Acquisition and Construction Services	<u>144,695</u>	<u>145,569</u>	<u>290,264</u>	<u>280,189</u>	<u>10,075</u>
Total Expenditures	<u>2,342,618</u>	<u>(20,850)</u>	<u>2,321,768</u>	<u>1,832,414</u>	<u>489,354</u>
Other Financing Sources (Uses)					
Total Outflows	<u>2,342,618</u>	<u>(20,850)</u>	<u>2,321,768</u>	<u>1,832,414</u>	<u>489,354</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Us\$)		\$	\$	\$ (49,935)	\$ (49,935)
Transfer from General Fund				\$ 28,090	\$ 28,090
Fund Balance, July 1				27,703	27,703
Fund Balance, June 30				\$ 5,858	\$ 5,858

DEERFIELD TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 7,525,255	E-1 \$ 1,782,479
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		(179,352)
Prior Year		39,399
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	229,161	59,520
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(284,644)	(81,461)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 7,469,772	[B-2] \$ 1,620,585
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 7,301,313	[C-2] \$ 1,832,414
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		39,399
Prior Year		(179,352)
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	[B-2] \$ 7,301,313	[B-2] \$ 1,692,461

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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.007708%	0.003862%	0.013733%	0.013670%	0.014369%	0.011482%	0.010584%	0.011195%	0.009752%	0.008918%
District's Proportionate Share of the Net Pension Liability	\$ 1,116,515	\$ 582,821	\$ 1,626,926	\$ 2,229,266	\$ 2,589,130	\$ 2,260,673	\$ 2,463,800	\$ 3,315,645	\$ 2,189,127	\$ 1,669,768
District's Covered-Employee Payroll	\$ 621,916	\$ 573,743	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	179.53%	101.58%	191.60%	252.47%	278.85%	234.69%	274.26%	481.51%	301.43%	228.72%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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>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>
Contractually Required Contribution	\$ 103,025	\$ 48,701	\$ 160,834	\$ 149,546	\$ 141,244	\$ 115,521	\$ 100,051	\$ 99,993	\$ 83,841	\$ 73,522
Contributions in relation to the Contractually Required Contribution	(103,025)	(48,701)	(160,834)	(149,546)	(141,244)	(115,521)	(100,051)	(99,993)	(83,841)	(73,522)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 621,916	\$ 573,743	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038
Contributions as a Percentage of Covered-Employee Payroll	16.57%	8.49%	18.94%	16.94%	15.21%	11.99%	11.14%	14.52%	11.54%	10.07%

* 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>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>
District's Proportion of the Net Pension Liability	0.018131%	0.019747%	0.033995%	0.039535%	0.036567%	0.034568%	0.036384%	0.033106%	0.033840%	0.038948%
District's Proportionate Share of the Net Pension Liability	\$ 9,252,727	\$ 10,188,282	\$ 16,343,151	\$ 26,033,233	\$ 22,441,303	\$ 21,991,636	\$ 24,531,414	\$ 26,043,054	\$ 21,388,041	\$ 20,816,478
District's Covered-Employee Payroll	\$ 2,927,384	\$ 2,676,820	\$ 3,478,287	\$ 3,450,001	\$ 3,562,595	\$ 3,618,513	\$ 4,153,556	\$ 3,751,844	\$ 3,436,632	\$ 3,392,779
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	316.07%	380.61%	469.86%	754.59%	629.91%	607.75%	590.61%	694.14%	622.35%	613.55%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 419,933	\$ 567,238	1,398,161	\$ 871,681	\$ 789,988	\$ 739,005	\$ 893,343
Interest Cost	500,513	351,053	550,125	561,000	677,692	725,198	628,014
Changes of Benefit Terms			(22,572)				
Differences Between Expected and Actual Experiences	393,048	(7,347)	(4,109,873)	3,056,720	(2,831,237)	(1,868,613)	
Changes of Assumptions	28,645	(3,553,556)	20,922	4,345,478	228,959	(1,944,865)	(2,707,163)
Member Contributions	12,826	11,155	14,064	12,553	13,973	15,663	16,832
Gross Benefit Payments	(390,158)	(347,728)	(433,344)	(414,151)	(471,382)	(453,183)	(457,099)
Net Change in Total OPEB Liability	964,807	(2,979,185)	(2,582,517)	8,433,281	(1,592,007)	(2,786,795)	(1,626,073)
Total OPEB Liability - Beginning	18,227,544	21,206,729	23,789,246	15,355,965	16,947,972	19,734,767	21,360,840
Total OPEB Liability - Ending	\$ 19,192,351	\$ 18,227,544	21,206,729	\$ 23,789,246	\$ 15,355,965	\$ 16,947,972	\$ 19,734,767
Covered-Employee Payroll	\$ 3,549,300	\$ 3,250,563	4,327,398	\$ 4,332,971	\$ 4,491,088	\$ 4,581,791	\$ 5,051,902
Total OPEB Liability as a Percentage of Covered-Employee Payroll	540.74%	560.75%	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, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	Equalization Stabilization Fund												
	IDEA	ARP Consolidated						CRRSA Consolidated			Sub-Total Per E-1 (2)	Totals	
	Part B Basic 2023-2024	ARP ESSER	ARP Accel Learning	ARP Summer Learning	ARP School Day	ARP Mental Health	HCY II	CRRSA ESSER II	CR ACC Learning	CR Mental Health		2024	2023
REVENUES:													
Federal Sources	\$ 101,684	\$ 238,057	\$ 3,574	\$ 24,945	\$ 36,905	\$ 40,590	\$ 3,337	\$ 13,380	\$ 13,208	\$ 22,748	\$ 208,842	\$ 707,270	\$ 751,547
State Sources											1,064,828	1,064,828	573,771
Local Sources											10,375	10,375	13,573
Total Revenues	101,684	238,057	3,574	24,945	36,905	40,590	3,337	13,380	13,208	22,748	1,284,045	1,782,473	1,338,891
EXPENDITURES:													
Instruction:													
Salaries of Teachers				22,769	28,440			948	2,203	5,965	334,202	394,527	358,832
Salaries - Other Instruction											154,335	154,335	97,278
Purchased Professional Ed Services											979	979	1,400
Other Purchased Services		2,800					2,800				2,646	8,246	7,596
Tuition	101,684											101,684	83,869
General Supplies		140,087			144	175		11,496	11,005	6,940	208,211	378,058	250,723
Total Instruction	101,684	142,887		22,769	28,584	175	2,800	12,444	13,208	12,905	700,373	1,037,829	799,698
Support Services:													
Salaries of Teachers			435	2,176		3,530				1,185	9,105	16,431	7,164
Salaries - Supervisors of Instruction											40,904	40,904	
Salaries - Prin/ Asst/ Prog Dir.											41,458	41,458	
Salaries - Other Professional Staff											24,729	24,729	72,950
Salaries -Family/ Parent Liaison											34,604	34,604	
Personal Services-Employee Benefits					2,176					630	184,507	187,313	237,098
Purchased Professional Technical Services			3,139			33,742					5,954	42,835	
Purchased Professional Ed Services													67,084
Purchased Property Services		545									7,429	7,974	8,058
Rentals											23,634	23,634	
Other Purchased Services		374			5,830	1,990				7,028	15,826	31,048	41,487
Student Activity											30,220	30,220	14,595
Contracted Transportation Services											1,655	1,655	
Travel											105	105	
Supplies and Materials		6,682			315	1,153	537	936		1,000	20,857	31,480	23,495
Total Support Services		7,601	3,574	2,176	8,321	40,415	537	936		9,843	440,987	514,390	471,931
Facilities Acquisition/Construction:													
Buildings													67,672
Instructional Equipment											192,620	280,189	30,148
Non Instructional Equipment		87,569											
Total Facilities Acquisition/Construction		87,569									192,620	280,189	97,820
Total Expenditures	\$ 101,684	\$ 238,057	\$ 3,574	\$ 24,945	\$ 36,905	\$ 40,590	\$ 3,337	\$ 13,380	\$ 13,208	\$ 22,748	\$ 1,333,980	\$ 1,832,408	\$ 1,369,449
Excess (Deficiency) of Revenues Over (Under) Expenditures											\$ (49,935)	\$ (49,935)	\$ (30,558)
Transfer from General Fund											28,090	28,090	26,536
Fund Balance, July 1											27,703	27,703	31,725
Fund Balance, June 30											\$ 5,858	\$ 5,858	\$ 27,703

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	ESEA						SDA Emergent Needs	Student Activity Fund	Safety Grant	REAP 2022-23	REAP 2023-24	Preschool Education 2023-24	Totals 2024
	Title I			Title II ESEA 2023-2024	Title II Carry - over 2023-2024	Title III 2023-2024							
	Part A		SIA										
	2023-2024	2022-2023	2023-2024										
REVENUES:													
Federal Sources	\$ 113,808	\$ 6,965	\$ 55,226	\$ 7,994	\$ 2,623	\$ 2,390				\$ 13,432	\$ 6,404		\$ 208,842
State Sources							\$ 7,714					\$ 1,057,114	1,064,828
Local Sources								\$ 8,375	\$ 2,000				10,375
Total Revenues	113,808	6,965	55,226	7,994	2,623	2,390	7,714	8,375	2,000	13,432	6,404	1,057,114	1,284,045
EXPENDITURES:													
Instruction:													
Salaries of Teachers	56,930	126	1,580								2,173	273,393	334,202
Salaries - Other Instructional												154,335	154,335
Purchased Prof/ Educ Services												979	979
Other Instruction													
Tuition												2,646	2,646
Other Purchased Services												157,977	208,211
General Supplies	12,710	6,839	10,632			2,390				13,432	4,231		
Total Instruction	69,640	6,965	12,212			2,390				13,432	6,404	589,330	700,373
Support Services:													
Salaries of Teachers	395		6,537	2,173									9,105
Salaries - Supervisors of Instruction												40,904	40,904
Salaries - Principals/ Asst Principals/ Program Dir.												41,458	41,458
Salaries - Other Professional Staff			13,596									11,133	24,729
Salaries - Family/ Parent Liaison												34,604	34,604
Personal Services-Employee Benefits	43,773											140,734	184,507
Purchased Professional Technical Services				3,331	2,623								5,954
Purchased Property Services							7,429						7,429
Other Purchased Services			13,336	2,490									15,826
Rentals												23,634	23,634
Contracted Transportation Services												1,655	1,655
Travel												105	105
Student Activity								30,220					30,220
Materials and Supplies			3,720				285		2,000			14,852	20,857
Total Support Services	44,168		37,189	7,994	2,623		7,714	30,220	2,000			309,079	440,987
Facilities Acquisition/Construction:													
Instructional Equipment			5,825									186,795	192,620
Non Instructional Equipment													
Total Facilities Acquisition/Construction			5,825									186,795	192,620
Total Expenditures	\$ 113,808	\$ 6,965	\$ 55,226	\$ 7,994	\$ 2,623	\$ 2,390	\$ 7,714	\$ 30,220	\$ 2,000	\$ 13,432	\$ 6,404	1,085,204	\$ 1,333,980
Excess (Deficiency) of Revenues Over (Under) Expenditures								(21,845)				(28,090)	(49,935)
Transfer from General Fund												28,090	28,090
Fund Balance, July 1								27,703					27,703
Fund Balance, June 30							\$	\$ 5,858	\$		\$	\$	\$ 5,858

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 273,405	\$ 273,393	\$ 12
Salaries - Other Instructional	154,335	154,335	
Purchased Prof/ Educ Services	1,155	979	176
Other Purchased Services	2,647	2,646	1
Supplies & Materials	181,760	157,977	23,783
Total Instruction	<u>613,302</u>	<u>589,330</u>	<u>23,972</u>
Support Services:			
Salaries of Teachers			
Salaries - Supervisors of Instruction	40,963	40,904	59
Salaries of Principals/Assist. Principal Program Directors	52,398	41,458	10,940
Salaries - Other Professional Staff	15,452	11,133	4,319
Salaries -Family/ Parent Liaison	41,573	34,604	6,969
Personal Services - Employee Benefits	163,365	140,734	22,631
Other Purchased Professional Services	12,393		12,393
Cleaning and Maintenance	10,000		10,000
Rentals	23,634	23,634	
Contracted Transportation Services	20,000	1,655	18,345
Travel	10,000	105	9,895
Supplies & Materials	35,927	14,852	21,075
Total Support Services	<u>425,705</u>	<u>309,079</u>	<u>116,626</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non Instructional Equipment	196,695	186,795	9,900
Total Facilities Acquisition and Const. Services	<u>196,695</u>	<u>186,795</u>	<u>9,900</u>
Contribution to Charter Schools			
Total Expenditures	<u>\$ 1,235,702</u>	<u>\$ 1,085,204</u>	<u>\$ 150,498</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 814,610	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2023)	435,179	(2)
Add: Budgeted Transfer from the General Fund 2023-2024	28,090	(3)
Total Preschool Education Aid Funds Available for 2023-2024 Budget	1,277,879	(4)
Less: 2023-2024 Budgeted Preschool Education Aid (including prior year budget carryover)	(1,235,702)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	42,177	(6)
Add: June 30, 2024 Unexpended Preschool Education Aid	150,498	(7)
Less: 2023-2024 Commissioner-approved Transfer to the General Fund		(8)
2023-2024 Carryover - Preschool Education Aid Programs	192,675	(9)
2023-2024 Preschool Education Aid Carryover Budgeted for Preschool Programs 2024-2025	42,177	(10)
The Board should consider appropriating this additional carry-over into the 2024-2025 budget	150,498	

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, 2024 AND 2023

	Food Service Enterprise Fund	Totals	
		2024	2023
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 136,108	\$ 136,108	\$ 102,543
Accounts Receivable:			
State	596	596	27,387
Federal	8,038	8,038	27,442
Other	874	874	
Interfund Receivable	29,209	29,209	28,556
Inventories	7,982	7,982	3,923
Total Current Assets	<u>182,807</u>	<u>182,807</u>	<u>189,851</u>
Fixed Assets:			
Equipment	161,020	161,020	123,559
Accumulated Depreciation	<u>(115,181)</u>	<u>(115,181)</u>	<u>(112,316)</u>
Total Fixed Assets	<u>45,839</u>	<u>45,839</u>	<u>11,243</u>
Total Assets	<u>228,646</u>	<u>228,646</u>	<u>201,094</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	11,855	11,855	5,654
Unearned Revenue	4,725	4,725	3,877
Total Current Liabilities	<u>16,580</u>	<u>16,580</u>	<u>9,531</u>
NET POSITION:			
Invested in Capital Assets Net of Related Debt	45,839	45,839	11,243
Unrestricted	<u>166,227</u>	<u>166,227</u>	<u>180,320</u>
Total Net Position	<u>\$ 212,066</u>	<u>\$ 212,066</u>	<u>\$ 191,563</u>

DEERFIELD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Totals	
		2024	2023
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 34,019	\$ 34,019	\$
Total Daily Sales - Reimbursable Programs			
Daily Sales Non-Reimbursable Programs	19,724	19,724	43,196
Total Operating Revenue	53,743	53,743	43,196
OPERATING EXPENSES:			
Salaries	67,436	67,436	63,719
Employee Benefits	20,913	20,913	8,328
Supplies and Materials	12,544	12,544	13,054
Depreciation	2,865	2,865	1,845
Cost of Sales - Reimbursable Programs	95,220	95,220	74,805
Cost of Sales - Non-Reimbursable Programs	7,644	7,644	13,058
Other Supplies	4,050	4,050	74,375
Management Fee	13,136	13,136	
Repairs and Other Expenses	8,170	8,170	11,503
Total Operating Expenses	231,978	231,978	260,687
Operating Income (Loss)	(178,235)	(178,235)	(217,491)
Non-Operating Revenues:			
State Sources:			
State School Breakfast Program	688	688	452
State School Lunch Program	4,237	4,237	3,697
Summer-EBT Administrative Cost	321	321	
Federal Sources:			
School Breakfast Program	27,849	27,849	31,250
National School Lunch Program	109,384	109,384	119,298
Supply Chain Assistance Funding	12,159	12,159	27,321
P-EBT Administrative Cost Reimbursement			653
Summer-EBT Administrative Cost	322	322	
Local Food for Schools	1,742	1,742	
Clean Energy Grant			26,577
Equipment Assistance Grant	20,000	20,000	20,000
Food Distribution Program	22,036	22,036	11,259
Interest			1
Total Non-Operating Revenues	198,738	198,738	240,508
Net Income before Operating Transfers	20,503	20,503	23,017
Net Income	20,503	20,503	23,017
Net Position - July 1	191,563	\$ 191,563	168,546
Net Position - June 30	\$ 212,066	\$ 212,066	\$ 191,563

DEERFIELD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Totals	
		2024	2023
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 53,743	\$ 53,743	\$ 43,196
Payments to Employees	(88,349)	(88,349)	(72,047)
Payments to Suppliers	(93,106)	(93,106)	(212,665)
Net Cash Provided by Noncapital Financing Activities	(127,712)	(127,712)	(241,516)
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	198,738	198,738	240,507
Operating Transfer from General Fund			
Net Cash Provided by Noncapital Financing Activities	198,738	198,738	240,507
Cash Flows from Capital & Related Financing Activities			
Purchase of Capital Assets	(37,461)	(37,461)	
Net Cash Provided by Capital and Related Financing Activities	(37,461)	(37,461)	
Cash Flows From Investing Activities			
Interest and Dividends			1
Net Cash Provided by Investing Activities			1
Net Decrease in Cash and Cash Equivalents	33,565	33,565	(1,008)
Cash and Cash Equivalents, July 1	102,543	\$ 102,543	103,551
Cash and Cash Equivalents, June 30	\$ 136,108	\$ 136,108	\$ 102,543
Operating Income (Loss)	\$ (178,235)	\$ (178,235)	\$ (217,491)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	2,865	2,865	1,845
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	45,321	45,321	(34,564)
(Increase)/Decrease in Inventory	(4,059)	(4,059)	(837)
(Increase)/Decrease in Interfund Receivable	(653)	(653)	
Increase/(Decrease) in Accounts Payable	6,201	6,201	5,654
Increase/(Decrease) in Due to General			
Increase/(Decrease) in Unearned Revenue	848	848	3,877
Net Cash Used by Operating Activities	\$ (127,712)	\$ (127,712)	\$ (241,516)

DEERFIELD TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023

	<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	(787)	(787)
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	(787)	(787)
Cash and Cash Equivalents, July 1	787	787
Cash and Cash Equivalents, June 30		\$
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, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
			Date	Amount					
Serial 2011 Refunding Bond of 8/17/04	8/16/2012	\$ 1,460,000	12/1/25	\$ 100,000	4.125%	\$ 385,000	\$	\$ 100,000	\$ 285,000
			12/1/26	100,000	4.125%				
			12/1/27	85,000	4.125%				
Totals						\$ 385,000	\$	\$ 100,000	\$ 285,000

EXHIBIT I-3

DEERFIELD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 113,818	\$	\$ 113,818	\$ 113,818	\$
State Sources:					
Debt Service Aid Type II					
TOTAL REVENUES	<u>113,818</u>		<u>113,818</u>	<u>113,818</u>	
EXPENDITURES:					
Regular Debt Service					
Interest	13,819		13,819	13,819	
Redemption of Principal	100,000		100,000	100,000	
Total Regular Debt Service	<u>113,819</u>		<u>113,819</u>	<u>113,819</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>		<u>(1)</u>	<u>(1)</u>	
Other Financing Sources (Uses)					
Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources	<u>(1)</u>		<u>(1)</u>	<u>(1)</u>	
Fund Balance, July 1	<u>1</u>		<u>1</u>	<u>1</u>	
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	

STATISTICAL SECTION

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 2,459,773
Restricted	503,191	551,315	472,960	761,304	837,738	796,452	1,115,624	1,139,500	785,919	756,588
Unrestricted (Deficit)	(780,693)	(850,926)	(970,252)	(1,019,266)	(1,055,863)	(1,049,464)	(1,006,028)	(785,264)	54,122	2,114
Total Governmental Activities Net Position	\$ 2,201,671	\$ 2,123,091	\$ 1,887,813	\$ 2,091,313	\$ 2,085,421	\$ 2,131,079	\$ 2,331,767	\$ 2,536,273	\$ 3,156,551	\$ 3,218,475
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$ 572	\$	\$ 24,295	\$ 23,458	\$ 14,934	\$ 13,088	\$ 11,243	\$ 45,839
Restricted										
Unrestricted	46,791	69,216	63,129	63,855	50,347	64,719	81,189	155,458	180,320	166,227
Total Business-Type Activities Net Position	\$ 46,791	\$ 69,216	\$ 63,701	\$ 63,855	\$ 74,642	\$ 88,177	\$ 96,123	\$ 168,546	\$ 191,563	\$ 212,066
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 2,505,612
Restricted	503,191	551,315	472,960	761,304	837,738	796,452	1,115,624	1,139,500	785,919	756,588
Unrestricted (Deficit)	(733,902)	(781,710)	(907,123)	(955,411)	(1,005,516)	(984,745)	(924,839)	(629,806)	234,442	168,341
Total District-Wide Net Position	\$ 2,248,462	\$ 2,192,307	\$ 1,951,514	\$ 2,155,168	\$ 2,160,063	\$ 2,219,256	\$ 2,427,890	\$ 2,704,819	\$ 3,348,114	\$ 3,430,541

Source: ACFR Schedule A-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 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	2,798,845
Special Education	694,851	703,850	648,673	658,585	864,616	460,017	294,473	515,306	489,032	545,489
Other Special Education	2,637	23,234	23,193	42,188	98,854	16,408	4,464	11,102	24,274	24,983
Other Instruction	2,602	4,026	12,458	17,248	13,952	24,369	24,828	24,541	1,145	14,793
Support Services										
Tuition	250,281	343,912	373,532	158,492	97,239	157,923	278,265	42,768	57,447	15,564
Student and Instruction Related Services	581,542	651,925	689,981	697,142	724,617	711,308	565,613	651,699	942,180	1,008,732
General and Business Administrative Services	375,635	384,399	407,068	417,918	434,417	290,956	251,757	206,643	198,190	204,542
School Administrative Services	75,208	78,220	76,289	83,779	72,326	71,681	63,796	163,713	90,230	76,085
Central Services						171,789	168,074	173,948	166,397	167,310
Plant Operations and Maintenance	440,436	451,441	434,483	462,458	732,851	502,935	518,940	495,940	571,724	665,112
Pupil Transportation	386,683	401,503	464,852	351,772	404,567	424,222	367,293	419,909	477,543	516,312
Internal Service Funds	54,317	62,524	59,648	55,178	53,417					
Employee Benefits	1,857,793	2,083,824	2,690,030	3,235,995	2,754,181	2,157,824	2,905,036	1,838,467	1,466,324	2,845,746
State Debt Service Assessment	17,839	17,839	17,839	17,839	17,839					
Interest on Long-Term Debt	43,305	40,619	35,474	35,432	32,241	50,152	41,714	38,104	34,201	31,315
Unallocated Depreciation	5,683	5,683	5,152	5,152	5,243	174,743	190,131	190,127	186,695	194,049
Total Governmental Activities Expenses	6,460,389	6,819,760	7,533,510	7,945,122	7,929,720	7,162,159	7,697,246	7,255,277	7,317,653	9,108,877
Business-Type Activities										
Food Service	175,216	176,287	210,173	197,747	178,545	127,053	141,304	213,565	260,687	231,978
Total Business-Type Activities Expense	175,216	176,287	210,173	197,747	178,545	127,053	141,304	213,565	260,687	231,978
Total District Expenses	\$ 6,635,605	6,996,047	7,743,683	8,142,869	8,108,265	7,289,212	7,838,550	7,468,842	7,578,340	9,340,855
Program Revenues										
Governmental Activities										
Charges for Services										
Internal Service Fund	\$ 60,938	59,743	58,572	70,446	61,287					
Operating Grants and Contributions	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	1,921,558
Total Governmental Activities Program Revenues	1,106,234	1,243,354	1,742,534	2,389,743	1,854,493	1,583,892	2,433,203	1,786,849	1,648,555	1,921,558
Business-Type Activities										
Charges for Services										
Food Service	59,375	66,393	65,939	64,804	66,098	30,716	339	7,610	43,196	53,743
Operating Grants and Contributions	121,990	132,319	137,002	133,097	123,234	109,872	155,592	278,378	240,508	198,738
Total Business-Type Activities Program Revenues	181,365	198,712	202,941	197,901	189,332	140,588	155,931	285,988	283,704	252,481
Total District Program Revenues	\$ 1,287,599	1,442,066	1,945,475	2,587,644	2,043,825	1,724,480	2,589,134	2,072,837	1,932,259	2,174,039
Net (Expense)/Revenue										
Governmental Activities	\$ (5,354,155)	(5,576,406)	(5,790,976)	(5,555,379)	(6,075,227)	(5,578,267)	(5,264,043)	(5,468,428)	(5,669,098)	(7,187,319)
Business-Type Activities	6,149	22,425	(7,232)	154	10,787	13,535	14,627	72,423	23,017	20,503
Total District-Wide Net Expense	\$ (5,348,006)	(5,553,981)	(5,798,208)	(5,555,225)	(6,064,440)	(5,564,732)	(5,249,416)	(5,396,005)	(5,646,081)	(7,166,816)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 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	3,055,883
Taxes Levied for Debt Service	147,981	140,807	135,681	135,681	127,520	134,020	130,343	121,756	117,942	113,818
Unrestricted Grants and Contributions	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	4,265,340
Tuition	92,499	48,583	60,757	43,816	66,206	7,474		10,985	23,873	
Investment Earnings	215	1,526	4,439	12,825	28,766	12,206	557	80	2,130	9,974
Miscellaneous Income	8,189	2,431	3,749	3,483	12,357	4,603	12,963	2,849	27,816	61,163
Other Adjustments	(365,302)		(261)		(3,468)		(65,407)	32,523		(98,732)
Transfers	(981)	(40,533)	(49,390)	(24,322)	(12,196)	(34,082)	(121,171)	(93,982)		
Right-to-Use Lease Adjustment									(102,979)	(158,203)
Total Governmental Activities	5,103,255	5,497,828	5,555,696	5,758,879	6,069,334	5,623,925	5,434,188	5,665,452	6,289,376	7,249,243
Business-Type Activities										
Other Adjustments			1,717				(6,681)			
Transfers	(8,000)									
Total Business-Type Activities	(8,000)		1,717				(6,681)			
Total District-Wide	\$ 13,489,307	13,733,775	14,711,096	15,717,068	14,958,412	14,279,990	14,747,526	13,485,985	6,289,376	7,249,243
Change in Net Position										
Governmental Activities	\$ (311,838)	(78,578)	(235,280)	203,500	(5,893)	45,658	170,145	197,024	620,278	61,924
Business-Type Activities	(1,851)	22,425	(5,515)	154	10,787	13,535	7,946	72,423	23,017	20,503
Total District-Wide	\$ (313,689)	(56,153)	(240,795)	203,654	4,894	59,193	178,091	269,447	643,295	82,427

Source: ACFR Schedule A-2

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 550,272	\$ 551,315	\$ 472,959	\$ 761,304	\$ 837,737	\$ 806,784	\$ 1,093,484	\$ 1,107,772	\$ 848,851	\$ 842,272
Assigned						19,700	12,687	29,355	163,741	681,106
Committed	27,266	33,925	47,366	32,309	26,077					
Unassigned (Deficit)						21,923	26,769	175,530	701,890	74,538
Total General Fund	<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>	<u>\$ 1,597,916</u>
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$ 27,703	\$ 5,858
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(7,858)	(7,858)	(8,573)	(12,145)	(20,306)	(6,843)	9,055	(25,074)	(59,520)	(81,461)
Debt Service Fund	1	1	2			2	3	3	1	
Total All Other Governmental Funds	<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>	<u>\$ (75,603)</u>

Source: ACFR Schedule B-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 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	\$ 3,169,701
Tuition	92,499	48,583	60,757	43,816	66,206	7,474		10,985	23,873	
Interest Earnings	215	1,526	4,439	12,825	28,766	12,206	557	80	2,130	9,974
Miscellaneous	8,189	2,431	3,749	3,483	12,357	7,756	19,212	21,270	27,816	61,163
State Sources	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	5,282,302
Federal Sources	222,220	259,449	244,143	233,267	234,922	214,910	288,417	594,671	715,647	681,029
Total Revenues	5,934,514	6,067,301	6,243,632	6,544,295	6,934,508	6,927,686	7,112,381	7,656,924	8,722,867	9,204,169
Expenditures										
Instruction										
Regular Instruction	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	2,798,839
Special Education Instruction	675,908	684,907	631,499	641,411	847,142	460,017	294,473	515,306	489,032	545,489
Other Special Instruction	743	23,234	23,193	42,188	98,854				24,274	24,983
Other Instruction	2,602	2,132	10,741	15,531	12,205	24,369	24,828	24,541	1,145	14,793
School Sponsored						16,408	4,464	11,102		
Support Services										
Tuition	250,281	343,912	373,532	158,492	97,239	157,923	278,265	42,768	57,447	15,564
Student and Instruction Related Services	558,810	629,193	669,372	676,533	703,648	711,308	565,613	651,699	942,180	1,008,732
School Administrative Services	71,419	74,431	72,854	80,344	68,831	71,681	63,796	163,713	90,230	76,085
General Administrative Services	238,355	251,443	246,817	250,082	262,502	462,745	419,831	380,591	198,190	204,542
Central Services & Info. Techn.	125,914	121,590	149,947	157,532	161,430				166,397	167,310
Plant Operations and Maintenance	413,915	424,920	410,439	438,414	708,387	502,935	518,940	490,865	623,297	665,112
Pupil Transportation	373,423	388,243	452,830	339,750	392,335	424,222	367,293	419,909	477,543	516,312
Employee Benefits	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	2,701,762
Capital Outlay	59,883	50,801	52,244	53,749	255,320	150,288		5,075	96,798	254,245
Debt Service										
Principal	105,000	100,000	100,000	100,000	95,000	105,000	153,434	149,984	100,000	100,000
Interest and Other Charges	42,981	40,806	35,682	35,682	32,519	46,858	43,183	39,595	17,944	13,819
Total Expenditures	5,825,955	6,032,637	6,256,300	6,258,116	7,065,271	6,895,547	6,781,137	7,489,305	8,224,808	9,107,587
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	108,559	34,664	(12,668)	286,179	(130,763)	32,139	331,244	167,619	498,059	96,582
Other Financing Sources (Uses)										
Transfer to Charter School	(8,981)	(40,533)	(49,390)	(24,322)	(12,196)	(34,082)	(121,171)	(93,982)		
Other					200,000		59,816	32,523		
Transfers, Net	11,935	5,000		5,000	5,000			31,946	(102,979)	(256,935)
Total Other Financing Sources (Uses)	2,954	(35,533)	(49,390)	(19,322)	192,804	(34,082)	(61,355)	(29,513)	(102,979)	(256,935)
Net Change in Fund Balances	\$ 111,513	\$ (869)	\$ (62,058)	\$ 266,857	\$ 62,041	\$ (1,943)	\$ 269,889	\$ 138,106	\$ 395,080	\$ (160,353)
Debt Service as a Percentage of										
Noncapital Expenditures	2.56%	2.34%	2.17%	2.18%	1.87%	2.24%	2.85%	2.50%	1.45%	1.29%

Source: ACFR Schedule B-2

**DEERFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Rent</u>	<u>Prior Year Order Adjustments</u>	<u>Misc.</u>	<u>Total</u>
2024	\$ 9,974	\$	\$ 23,634	\$	\$ 27,154	\$ 60,762
2023	2,130	23,873			14,355	40,358
2022	80	10,985			2,849	13,914
2021	557				12,963	13,520
2020	12,206	7,474			4,603	24,283
2019	28,706	66,206			8,517	103,429
2018	12,825	43,816			605	57,246
2017	4,439	60,757			3,749	68,945
2016	1,526	48,583			546	50,655
2015	215	92,499			4,168	96,882

Source: District Records

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 ^a	Net Valuation Taxable	Percentage of Assessed To Estimated Full Cash Valuations	Estimated Actual County Equalized Value
2024	\$ 5,015,800	\$ 142,978,100	\$ 22,015,000	\$ 2,833,700	\$ 18,969,200	\$ 5,081,900		\$ 196,893,700	\$ 530,428	\$ 197,424,128	\$ 72.65%	\$ 271,764,941
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

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 ^a	General Obligation Debt Service ^b	Total Direct	Cumberland Regional School Dist.	Deerfield Township	Cumberland County	Total
2024	\$ 1.576	\$ 0.059	\$ 1.635	\$ 0.622	\$ 0.148	\$ 1.318	\$ 3.723
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

* 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	2024		2015	
	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%	\$ 5,531,300	2.91%
F&S Reality Assoc.	3,070,900	1.57%	1,528,500	0.80%
Pipitone Reality, LLC			2,096,000	1.10%
Taxpayer 1	1,180,100	0.60%	597,600	0.31%
S&L Reality Associates LLC	1,262,600	0.65%	755,300	0.40%
Mand LLC	936,900	0.48%		
Verizon			678,064	0.36%
Taxpayer 2	751,300	0.38%		
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%		
4 star R.E. LLC			547,600	0.29%
S&L Reality Associates			507,300	0.27%
Total	\$ 15,692,100	8.03%	\$ 13,359,164	7.03%

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	
2024	\$ 3,169,701	\$ 3,169,701	100.00%	\$
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%	

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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2024	\$ 285,000	\$	\$	\$	\$ 285,000	0.21%	\$ 96	
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	

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2024	\$ 285,000		\$ 285,000	0.10%	96
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

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, 2024
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Deerfield Township	\$ 157,839	100%	\$ 157,839
Other Debt			
Cumberland Regional School Debt	3,017,000	12%	370,823
County of Cumberland - Township share	89,195,482	2%	2,031,539
Subtotal, Overlapping Debt			2,560,200
DEERFIELD Township School District Direct Debt			285,000
Total Direct and Overlapping Debt			\$ 2,845,200

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 2023

	Equalized Valuation Basis
	2023 \$ 268,784,679
	2022 239,496,648
	2021 226,331,555
	<u>[A] \$ 734,612,882</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 244,870,961</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] \$ 7,346,129 a</u>
Net Bonded School Debt	<u>[C] 285,000</u>
Legal Debt Margin	<u>[B-C] \$ 7,061,129</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 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	\$ 7,346,129
Total Net Debt Applicable to Limit	1,197,795	1,063,391	927,481	995,000	840,000	686,566	585,000	485,000	385,000	285,000
Legal Debt Margin	<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>	<u>\$ 7,061,129</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.8%	18.0%	15.9%	17.0%	14.3%	9.9%	8.3%	6.7%	5.8%	3.9%

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 ^a</u>		<u>Personal Income (thousands of dollars) ^b</u>		<u>Per Capita Personal Income ^{c (1)}</u>	<u>Unemployment Rate ^d</u>
2024	*	2,969	\$	136,146,457	\$	45,860	5.3%
2023	*	2,997		138,841,882		46,323	4.9%
2022		3,125		146,221,875		46,791	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%

* Estimate

(1) Information for Cumberland County

Source:

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

^b Personal income

^c Per Capita

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

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>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,874	5.37%	2,911	4.16%
F & S Produce/Pipcp Transportation	1,201	1.67%	684	0.98%
Wal-Mart	791	1.10%	916	1.31%
Wawa	777	1.08%	605	0.86%
Durand Glass Manufacturing Co./ARC Interr	580	0.80%	1,000	1.43%
ShopRite	751	1.04%		
Sheppard Bus Service	575	0.80%	650	0.93%
Elwyn New Jersey	236	0.33%	458	0.65%
AJM Packaging	481	0.67%	229	0.33%
Northeast Precasg	436	0.60%		
Ardagh Group	366	0.51%		
Seabrook Brothers & Sons, Inc	271	0.38%	571	0.82%
Ardagh Group	363	0.50%	363	0.52%
Complete Care	305	0.42%	345	0.49%
South State, Inc	345	0.48%	298	0.43%
Corning Glass	245	0.34%	200	0.29%
Nipro PharmaPackaging Americas Corp	274	0.38%	277	0.40%
Gerresheimer Glass	174	0.24%	300	0.43%
	<u>12,045</u>	<u>16.70%</u>	<u>9,807</u>	<u>14.02%</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)

<u>Function/Program</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>	<u>2024</u>
Instruction										
Regular	24.0	23.0	23.0	24.0	24.2	23.4	24.0	24.0	25.0	25.0
Special Education	5.5	5.5	5.5	7.1	7.1	6.8	6.0	6.0	5.0	5.0
Support Services:										
Student & Instruction Related Services	3.5	4.5	5.3	4.5	4.1	2.8	2.5	2.5	2.0	2.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	2.0
Business Administrative Services	1.0	1.0	1.0	1.6	1.6	1.6	1.6	2.0	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
Total	<u>39.0</u>	<u>39.0</u>	<u>39.8</u>	<u>42.2</u>	<u>42.0</u>	<u>39.6</u>	<u>39.1</u>	<u>40.5</u>	<u>40.0</u>	<u>39.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2024	318	\$ 9,107,593	\$ 28,640	27.82%	30.0	10 : 1	321.1	301.5	2.39%	93.90%
2023	317	8,224,808	25,946	15.80%	34.0	8: 1	313.6	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%

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>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>	<u>2024</u>
<u>District Building</u>										
<u>Elementary</u>										
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	334	327	321	335	298	268	272	291	317	318

Number of Schools at June 30, 2024
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>2024</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>
Deerfield Township Sch.	61,936	\$ 156,673	\$ 101,886	\$ 98,955	\$ 142,216	\$ 130,979	\$ 351,139	\$ 121,503	\$ 104,385	\$ 95,177	\$ 84,976
Total School Facilities		<u>\$ 156,673</u>	<u>\$ 101,886</u>	<u>\$ 244,168</u>	<u>\$ 283,233</u>	<u>\$ 305,785</u>	<u>\$ 274,522</u>	<u>\$ 196,411</u>	<u>\$ 175,944</u>	<u>\$ 134,180</u>	<u>\$ 140,119</u>

DEERFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey Schools Insurance Group ERIC South Sub Fund	Commercial Property Coverage	18,086,020	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 Insuance 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

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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, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund 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, 2024, 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 12, 2024.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs, labeled Finding 2024-1 that we consider to be a material weakness.

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 Finding 2024-1.

School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Deerfield Township Board of Education's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Deerfield Township Board of Education's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 12, 2024

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, 2024. 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, 2024.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs, labeled Finding 2024-1 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Board of Education of the Deerfield Township School District, in the County of Cumberland, State of New Jersey's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 12, 2024

TOWNSHIP OF DEERFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjust- ment	Balance at June 30, 2024		
							Accounts Receivable	Unearned Revenue	Due to Grantor						Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education																	
General Fund																	
Medical Assistance Program (SEMI)	93.778	24005NJMAP	N/A	\$	7/1/23	6/30/24	\$	\$	\$	\$	\$	\$	\$		\$	\$	
U.S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund:																	
Non-Cash Assistance:																	
U.S.D.A. Food Distribution Program	10.565	231NJ304N1099	N/A	\$15,091	7/1/22	6/30/23	3,832				(3,832)		(3,832)				
U.S.D.A. Food Distribution Program	10.565	241NJ304N1099	N/A	21,030	7/1/23	6/30/24				21,030	(18,204)		(18,204)			2,826	
Child Nutrition Cluster:																	
School Breakfast Program	10.553	231NJ304N1099	N/A	31,250	7/1/22	6/30/23	(5,822)			5,822							
School Breakfast Program	10.553	241NJ304N1099	N/A	27,849	7/1/23	6/30/24				26,334	(27,849)		(27,849)			(1,515)	
National School Lunch Program	10.555	231NJ304N1099	N/A	119,298	7/1/22	6/30/23	(20,967)			20,967							
National School Lunch Program	10.555	241NJ304N1099	N/A	109,384	7/1/23	6/30/24				103,183	(109,384)		(109,384)			(6,201)	
National School Lunch Program	10.555	241NJ344N8903	N/A	12,159	7/1/23	6/30/24				12,159	(12,159)		(12,159)				
Supply Chain Assistance Funding - r4	10.555	241NJ344N8903	N/A	322	7/1/23	6/30/24					(322)		(322)			(322)	
Summer-EBT Administrative Cost	10.646	202424N180341	N/A	653	7/1/22	6/30/24	(653)			653							
PEBT	10.649	2022225900941	N/A	653	7/1/22	6/30/23											
Local Food for Schools		N/A	N/A	1,742	2/1/23	2/08/24				1,740	(1,740)		(1,740)				
Equipment Assistant Grant	10.579	231NJ354N8103	N/A	20,000	7/1/23	6/30/24				20,000	(20,000)		(20,000)				
Total U.S. Department of Agriculture							(23,610)			211,888	(193,490)		(193,490)		(8,038)	2,826	
U.S. Department of Education																	
Passed-through State Department of Education:																	
Special Revenue Fund:																	
IDEA Cluster:																	
I.D.E.A. Part B Basic	84.027A	H027A230100	IDEA1020-24	101,684	7/1/23	9/30/24				64,714	(101,684)		(101,684)			(36,970)	
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA1020-23	83,875	7/1/22	9/30/23	(54,547)			54,553				(6)			
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA1020-22	84,423	7/1/21	9/30/22		659						(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							
E.S.E.A.:																	
Title I	84.010	S010A230030	ESEA1020-24	110,108	7/1/23	9/30/24				63,359	(113,808)		(113,808)			(50,449)	
Title I	84.010	S010A220030	ESEA1020-23	140,991	7/1/22	9/30/23	(86,401)			93,366	(6,965)		(6,965)				
Title I	84.010	S010A210030	ESEA1020-22	90,576	7/1/21	9/30/22		4,304						(4,304)			
Title I SIA	84.010	S010A230030	ESEA1020-24	84,200	7/1/23	9/30/24				39,717	(55,226)		(55,226)			(15,509)	
Title I SIA	84.010	S010A220030	ESEA1020-23	21,200	7/1/22	9/30/23	(3,652)			3,652							
Title II A	84.367A	S367A230029	ESEA1020-24	12,772	7/1/23	9/30/24				5,868	(7,994)		(7,994)			(2,126)	
Title II A	84.367A	S367A220029	ESEA1020-23	14,964	7/1/22	9/30/23	(8,681)			8,681	(2,623)		(2,623)			(2,623)	
Title II A	84.367A	S367A210029	ESEA1020-22	24,316	7/1/21	9/30/22		13,735						(13,735)			
Title III	84.365	S365A230030	ESEA1020-24	2,391	7/1/23	9/30/24				2,128	(2,390)		(2,390)			(262)	
Education Stabilization Fund:																	
CARES ACT 2020/ESSER	84.425D	S425D200027	ESSER 1020-20	78,821	3/13/20	9/30/22	1							(1)			
CRRSA Consolidated:																	
CRRSA-ESSER II (Emerg Relief)	84.425D	S425D210027	CRRSA 1020-23	321,771	3/13/20	9/30/23	(239,759)			151,739	(13,380)		(13,380)	98,732	(2,668)		
CR Learning Acceleration	84.425D	S425D210027	CRRSA 1020-23	25,000	3/13/20	9/30/23	(6,164)			19,881	(13,208)		(13,208)				509
CR Mental Health	84.425D	S425D210027	CRRSA 1020-23	45,000	3/13/20	9/30/23	(14,467)			33,854	(22,748)		(22,748)	3,361			
ARP Consolidated:																	
ARP ESSER	84.425U	S425U210027	ARP 1020-24	723,159	3/13/20	9/30/24	(397,800)			237,925	(238,057)		(238,057)			(397,932)	
Accelerated Learning	84.425U	S425U210027	ARP 1020-24	50,000	3/13/20	9/30/24					(3,574)		(3,574)				
Summer Learning	84.425U	S425U210027	ARP 1020-24	40,000	3/13/20	9/30/24				22,895	(24,945)		(24,945)			(2,050)	
Beyond the School Day	84.425U	S425U210027	ARP 1020-24	40,000	3/13/20	9/30/24					(36,905)		(36,905)			(36,905)	
NJTSS Mental Health Staffing	84.425U	S425U210027	ARP 1020-24	45,000	3/13/20	9/30/24				3,491	(40,590)		(40,590)			(37,099)	
ARP Homeless II	84.425W	S425W210031	ARP 1020-24	6,603	4/23/21	9/30/24	(3,203)				(3,337)		(3,337)	1,429		(5,111)	
REAP	84.358A	S358A212843	REAP102022	13,339	7/1/21	9/30/22	(15,227)			13,359				1,868			
REAP	84.358A	S358A222698	REAP102023	13,432	7/1/22	10/2/23					(13,432)		(13,432)			(13,432)	
REAP	84.358A	S358A232674	REAP102024	25,297	7/1/23	9/30/24					(6,404)		(6,404)			(6,404)	
Climate Change Grant		S235063359		6,660	4/1/23	6/30/23	(6,402)		49					6,402			49
Total U.S. Department of Education							(838,966)	32,976	49	821,846	(707,270)		(707,270)	78,809	(613,114)		558
Total Federal Financial Awards							\$ (862,576)	\$ 32,976	\$ 49	\$ 1,033,734	\$ (900,760)	\$	\$ (900,760)	\$ 78,809	(621,152)	\$ 2,826	\$ 558

(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, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2023					Balance at June 30, 2024		MEMO	
					(Accounts Receivable)	Unearned Revenue	Carry-over	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	23-495-034-5120-078	2,070,982	7/1/22	6/30/23	\$ (197,157)	\$	\$	\$ 197,157	\$	\$	\$	\$	\$
Equalization Aid	24-495-034-5120-078	2,554,923	7/1/23	6/30/24				2,305,431	(2,554,923)	(249,492)	*	(249,492)	(2,554,923)
Special Education Categorical Aid	23-495-034-5120-089	194,666	7/1/22	6/30/23	(18,532)			18,532					
Special Education Categorical Aid	24-495-034-5120-089	218,445	7/1/23	6/30/24				197,113	(218,445)	(21,332)	*	(21,332)	(218,445)
Transportation Aid	23-495-034-5120-014	95,887	7/1/22	6/30/23	(9,128)			9,128					
Transportation Aid	24-495-034-5120-014	95,887	7/1/23	6/30/24				86,523	(95,887)	(9,364)	*	(9,364)	(95,887)
Security Aid	23-495-034-5120-084	45,634	7/1/22	6/30/23	(4,344)			4,344					
Security Aid	24-495-034-5120-084	45,634	7/1/23	6/30/24				41,178	(45,634)	(4,456)	*	(4,456)	(45,634)
Non-public Transportation Aid	23-495-034-5120-014	8,424	7/1/22	6/30/23	(8,424)			8,424					
Non-public Transportation Aid	24-495-034-5120-014	10,465	7/1/23	6/30/24					(10,465)	(10,465)	*		(10,465)
Homeless Tuition Reimbursement	N/A	25,360	7/1/22	6/30/23	(25,360)			25,360					
Homeless Tuition Reimbursement	N/A	7,318	7/1/23	6/30/24					(7,318)	(7,318)	*		(7,318)
Maintenance of Equity	23-495-034-5120-128	569,306	7/1/22	6/30/23	(569,306)			569,306					
Extraordinary Aid	23-495-034-5120-044	103,321	7/1/22	6/30/23	(103,321)			103,321					
Extraordinary Aid	24-495-034-5120-044	98,717	7/1/23	6/30/24					(98,717)	(98,717)	*		(98,717)
Reimbursed TPAF Social Security Contrib	23-495-034-5094-003	196,663	7/1/22	6/30/23	(19,574)			19,574					
Reimbursed TPAF Social Security Contrib	24-495-034-5094-003	213,697	7/1/23	6/30/24				212,881	(213,697)	(816)	*		(213,697)
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	914,193	7/1/23	6/30/24				914,193	(914,193)		*		(914,193)
On-Behalf TPAF Post Retirement Medical	24-495-034-5094-001	248,810	7/1/23	6/30/24				248,810	(248,810)		*		(248,810)
On-behalf TPAF Long-term Disability Contrib.	24-495-034-5094-004	521	7/1/23	6/30/24				521	(521)		*		(521)
Total General Fund					(955,146)			4,961,796	(4,408,610)	(401,960)		(284,644)	(4,408,610)
Special Revenue Fund:													
Preschool Education Aid	24-495-034-5120-086	842,700	7/1/23	6/30/24			435,179	761,239	(1,085,204)	(81,461)	192,675	*	(81,461)
Preschool Education Aid	23-495-034-5120-086	621,735	7/1/22	6/30/23	(59,520)	435,179	(435,179)	59,520					
SDA Emergent Needs & Capital Maintenance	22-100-034-5120-086	6,528	7/1/21	6/30/22	(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					
SDA Emergent Needs & Capital Maintenance	24-100-034-5120-086	7,714	7/1/23	6/30/24					(7,714)	(7,714)	*		(7,714)
Total Special Revenue Fund					(72,787)	435,179		834,026	(1,092,918)	(89,175)	192,675	(81,461)	(1,092,918)
Debt Service Fund:													
Debt Service Aid-Type II	24-495-034-5120-017		7/1/23	6/30/24									
State Department of Agriculture:													
Enterprise Fund:													
State School Breakfast Prog.	23-100-010-3350-023	452	7/1/22	6/30/23	(106)			106					
State School Breakfast Prog.	24-100-010-3350-023	688	7/1/23	6/30/24				654	(688)	(34)	*		(688)
State School Lunch Prog.	23-100-010-3350-023	3,697	7/1/22	6/30/23	(704)			704					
State School Lunch Prog.	24-100-010-3350-023	4,237	7/1/23	6/30/24				3,996	(4,237)	(241)	*		(4,237)
Clean Energy Grant	N/A	26,577	7/1/22	6/30/23	(26,577)			26,577					
Summer-EBT Administrative Cost	N/A	321	7/1/23	6/30/24					(321)	(321)	*		(321)
Total Enterprise Fund					(27,387)			32,037	(5,246)	(596)			(5,246)
Total State Financial Assistance					\$ (1,055,320)	\$ 435,179	\$	\$ 5,827,859	\$ (5,506,774)	\$ (491,731)	\$ 192,675	\$ (366,105)	\$ (5,506,774)
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	914,193	7/1/23	6/30/24				\$ 914,193	\$ (914,193)				
On-Behalf TPAF Post Retirement Medical	24-495-034-5094-001	248,810	7/1/23	6/30/24				248,810	(248,810)				
On-behalf TPAF Long-term Disability Contrib.	24-495-034-5094-004	521	7/1/23	6/30/24				521	(521)				
Total State Financial Assistance - Major Program Determination							\$	4,664,335	\$ (4,343,250)				

See accompanying notes to schedules of financial assistance

DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2024

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 \$(55,483) for the general fund and \$(161,894) 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, 2024
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 4,353,127	\$ 4,353,127
Special Revenue Fund	681,035	929,175	1,610,210
Food Service Fund	<u>193,492</u>	<u>5,246</u>	<u>198,738</u>
Total Awards & Financial Assistance	<u>\$ 874,527</u>	<u>\$ 5,287,548</u>	<u>\$ 6,162,075</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, 2024.

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, 2024. 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, 2024.

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 totaling \$78,809 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, 2024**

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? X yes 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)?

 X yes 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	CRRSA Consolidated
84.425W	S425W210027	ARP Consolidated
		ARP Homeless

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, 2024
(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: 2024-1 (AMR Finding 2024-2)

Criteria or specific requirement:

A board of education shall not incur any obligations or approve payment in excess of the amount reported in the NJ Department of Education's notification of grant award.

Condition:

The District charged expenditures in excess of the amount awarded by NJ Department of Education for the CRRSSA-ESSER II grant.

Context:

The District inadvertently overcharged the CRRSSA-ESSER II grant award, in the amount of \$98,732.

Effect:

The District was required to re-charge \$98,732 to the General Fund.

Cause:

The Business Office inadvertently incurred expenditures in excess of the CRRSSA-ESSER II grant award.

Recommendation:

The District should review and revise its internal controls over the monitoring of grants, in order to ensure grant expenditures do not exceed the amount awarded.

Management's response:

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

**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: 2024-1 (AMR Finding 2024-2)

Information on the federal program:

Education Stabilization Fund:
84.425D S425D210027 CRRSSA-ESSER II

Criteria or specific requirement:

A board of education shall not incur any obligations or approve payment in excess of the amount reported in the NJ Department of Education's notification of grant award.

Condition:

The District charged expenditures in excess of the amount awarded by NJ Department of Education for the CRRSSA-ESSER II grant.

Questioned Costs: None: While expenditures exceeded the grant award, the nature of the charges aligned with the criteria for CRRSSA-ESSER II grant allowable costs.

Context:

The District inadvertently overcharged the CRRSSA-ESSER II grant award, in the amount of \$98,732.

Effect:

The District was required to re-charge \$98,732 to the General Fund.

Cause:

The Business Office inadvertently incurred expenditures in excess of the CRRSSA-ESSER II grant award.

Recommendation:

The District should review and revise its internal controls over the monitoring of grants, in order to ensure grant expenditures do not exceed the amount awarded.

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, 2024
(continued)**

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, 2024**

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 2023-01

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

Status: Resolved