

**SCHOOL DISTRICT
OF
TOWNSHIP OF UPPER DEERFIELD**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

**Township of Upper Deerfield Board of Education
Bridgeton, New Jersey**

For the Fiscal Year Ended June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

**Township of Upper Deerfield Board of Education
Bridgeton, New Jersey**

For the Fiscal Year Ended June 30, 2024

Prepared by

Upper Deerfield Township Board of Education

Finance Department

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OF THE UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
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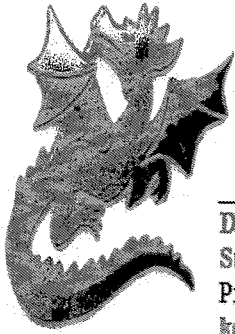
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UPPER DEERFIELD TOWNSHIP SCHOOLS

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Dr. Frank Badessa
Business Administrator/Board Secretary
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December 30, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Upper Deerfield Township 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 Upper Deerfield Township 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 major funds of the District are included in this report. The Upper 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 PreK 3 through 8. The following details the changes in the student enrollment of the District over the last five years.

Student Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	968	1.89%
2022-23	950	3.26%
2021-22	920	13.16%
2020-21	813	(3.10)%
2019-20	839	(2.21)%

2. ECONOMIC CONDITION AND OUTLOOK:

The 2020 United State Census population was 7,645 compared to 7,660 in 2010. The Net Valuation Taxable for 2024 is \$ 656,414,027 compared to \$650,785,104 in 2023 and was \$631,661,246 in 2015. The economic condition of the community is anticipated to be steady. Existing businesses and industries appear to be stable.

3. MAJOR INITIATIVES:

Each year our Board of Education is faced with the difficult challenge of meeting the needs of our students with funding that is limited, unfunded mandates, and a population that continues to rise. Making this task even more daunting is the need to be fiscally responsive to local taxpayers while maintaining quality educational and career development.

As a district with many needs and growing diverse populations, we need to, at a minimum, maintain our existing program structure and move to address the unique needs of all individuals served. With no two students seen as alike and possessing differing abilities, it is necessary to move forward along the continuum and provide the best opportunities for each student in a universal manner to prepare them for life experiences beyond the academic setting. We will continue to monitor our costs and review other areas for efficiency, reallocate resources and review all levels of services, including sharing resources where possible.

While we are still seeing the impact of COVID on learning loss, we need to expand on our current resources in place with additional supports to address achievement gaps between the total population and students with disabilities as well as achievement gaps between total population and economically disadvantaged students. Professional development for our staff will focus on Accelerated Learning and other evidence based research programs geared toward literacy and mathematics. This will allow us to address achievement gaps and to meet the needs of our students and assist in their academic growth.

Our preschool continues to expand and we are looking to add to our existing school at Seabrook to provide the required classes in the pre-school to educate our students at an early age. This expansion is being planned based on the projected population growth in our township as we are experiencing enrollment increases due to the additional residential building in our community.

With all that is occurring in our community and at the department of education, it is imperative we continue to focus on the following:

- Obtaining more security items for additional safety while maintaining a safety and preventive maintenance plans to address facility needs.
- Developing learning environments designed to engage students in critical thinking, strategic planning, hands-on learning and problem solving.
- Providing more assistive technology for students to meet their individual learning needs and coordinate services through a collaborative effort among district personnel and parents.
- Upgrade phone and technology infrastructure as well as facilities and grounds for health and safety including HVAC, walkways, equipment, technology infrastructure, building maintenance and preventive maintenance.
- Continue to review assessment data to identify at-risk students and coordinate instructional program to ensure access to increasing achievement.
- Provide curriculum and materials to provide all students equitable access to meet high quality academic standards congruent with the New Jersey Student Learning Standards.
- Ensure equity in the classroom practices and instruction through observations and a review of pupil identification and selection criteria.
- Continue to develop programs with high expectations to hold all students to high academic standards that prepare them to become productive citizens and prepare them for their future.
- Continue to provide high level, quality preschool programs and ensure students have access to such programs.
- Attracting, developing, retaining, and supporting caring, motivated, innovative, and engaging teaching professionals.
- Improving student achievement across all content areas and student groups.
- Promoting and maintaining a safe learning environment.
- Continue with equity and diversity professional development programs.

Focusing on these areas is important to the overall student growth. Planning is vital for these initiatives as this will enable us to meet the needs of our students in our three schools. With this mindset, students and staff become accepting of their responsibility to challenge themselves to meet with success. We continue to provide more opportunities for students with special needs to be part of the mainstreamed setting and expand practices such as UDL to assist in closing any achievement gaps and foster inclusion.

College and Career Readiness initiatives are necessary as this provides all students to meet with success. As part of our program initiatives our schools will continue to and/or implement the following:

- Mentoring, PBSIS and I & RS (Intervention and Referral Services) improvement to establish additional supports for our students.
- Technology use across the curriculum and Accelerated Learning and other intervention programs to address skill deficits.
- Intervention and Assessments to determine area of proficiency and deficiency.
- Academic Assistance Programs for tutoring
- Response-to-Intervention (RTI) tiered instruction
- Multiple assessments (e.g., IEP's computer-adaptive, inventory of teachers use of authentic assessments)

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.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with 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. DEBT:

At the end of the current fiscal year, the School District had Long Term Debt of \$4,440,736, including no bonded debt outstanding \$431,414 in Compensated Absences, \$52,964 in Leases Payable, Capital Leases of \$138,706 and Net Pension Liability of \$3,817,652. The amount of Unvoted Debt, as of June 30, 2024 is \$23,277,168.

There is also a Bond Issue in the process of being completed subsequent to June 30, 2024 in the amount of \$4,000,000 for various improvements, along with an NJBPU Energy Savings Bond entitled Refunding Bond in the amount of \$2,750,000.

11. 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.

12. ACKNOWLEDGMENTS:

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

Respectfully Submitted,

Respectfully Submitted,



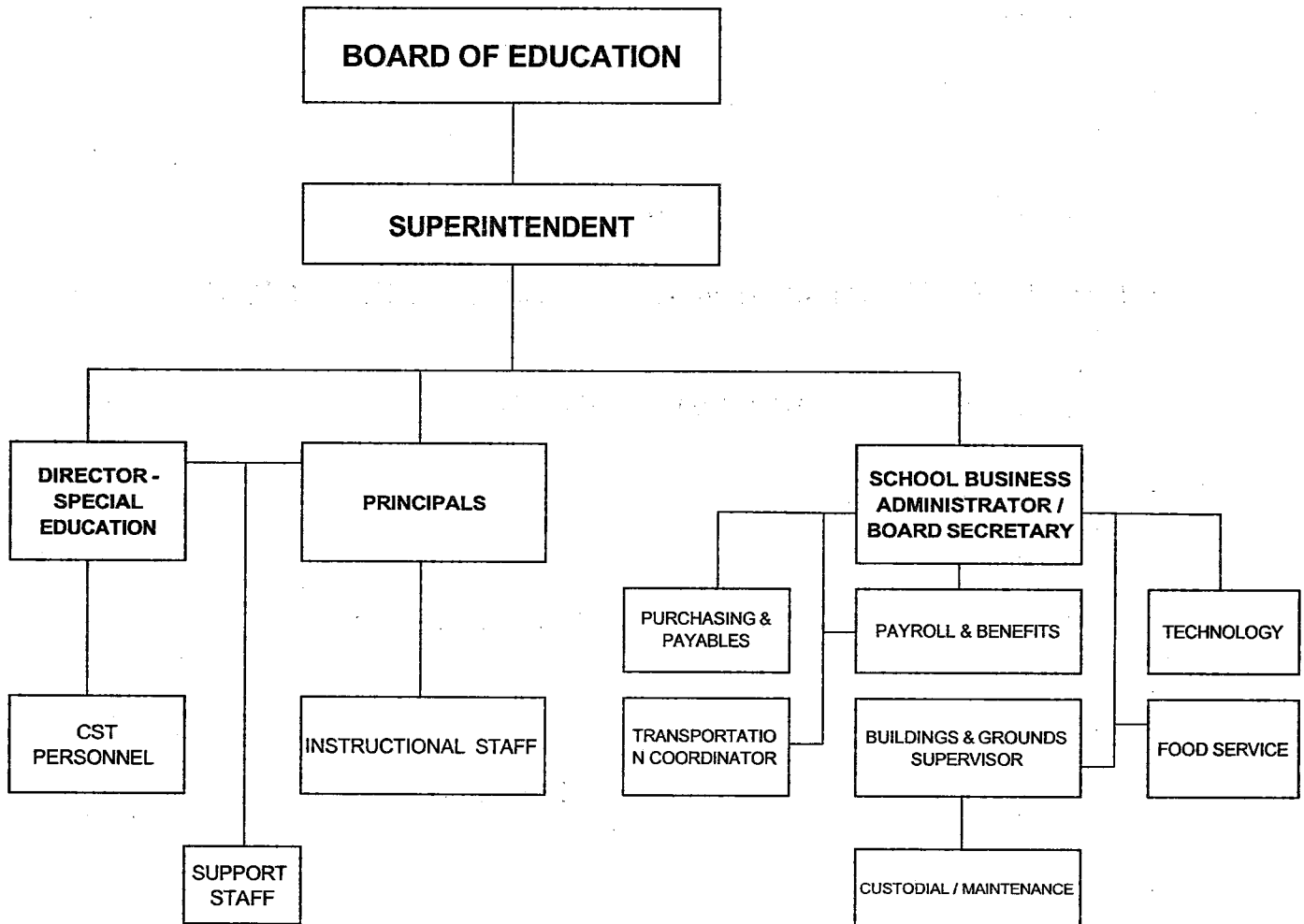
Dr. Peter L. Koza
Superintendent



Dr. Frank Badessa
Business Administrator / Board Secretary

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT

ORGANIZATIONAL CHART



UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
SEABROOK, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Anthony Buono, Jr., President	2025
Camen Pino, Vice President	2024
Ashley Bowen	2025
Joseph T. Lee, Jr.	2025
Sheetal Patel	2026
Teresa Warburton	2024
Angelica Wildin	2026

<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Dr. Peter L. Koza, Superintendant	
Dr. Frank Badessa, Business Administrator/Board Secretary	\$ 250,000
Amy Houck Elco, Solicitor Cooper Levenson	

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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Nightlinger, Colavita and Volpa, PA
P.O. Box 799
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ATTORNEY

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OFFICIAL DEPOSITORY

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Seabrook Branch
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Seabrook, New Jersey 08302**

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
Upper Deerfield Township School District
County of Cumberland
Seabrook, New Jersey 08302

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 Upper 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 School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Upper 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 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 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 30, 2024 on our consideration of the Upper 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 Upper Deerfield Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Upper 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 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**Upper Deerfield Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024 (Unaudited)**

The Management's Discussion and Analysis (MD&A) of the Upper Deerfield Township School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024, and 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance. 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.

Financial Highlights

- The total assets and deferred outflows of resources of the District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,731,658 (net position).
- The District's total net position increased by \$2,483,663.

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*.

Fund Financial Statements (continued)

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position. The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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	\$ 9,023,777	\$ 8,087,999	\$ 935,778	11.6%
Capital Assets, Net	13,981,502	13,633,455	348,047	2.6%
Total Assets	23,005,279	21,721,454	1,283,825	5.9%
Deferred Outflow of Resources	691,691	953,498	(261,807)	-27.5%
Current and Other Liabilities	1,049,384	1,926,343	(876,959)	-45.5%
Noncurrent Liabilities	4,440,736	4,559,100	(118,364)	-2.6%
Total Liabilities	5,490,120	6,485,443	(995,323)	-15.3%
Deferred Inflow of Resources	475,192	941,513	(466,321)	-49.5%
Net Position:				
Net Investment in Capital Assets	15,370,094	13,553,369	1,816,725	13.4%
Restricted	6,306,083	4,975,869	1,330,214	26.7%
Unrestricted (Deficit)	(3,944,519)	(3,281,242)	(663,277)	20.2%
Total Net Position	\$ 17,731,658	\$ 15,247,996	\$ 2,483,662	16.3%

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

	June 30, 2024	June 30, 2023	Increase/ (Decrease)	Percentage Change
Revenues				
Program Revenues:				
Charges for Services	\$ 259,491	\$ 3,224,664	\$ (2,965,173)	-92.0%
Operating Grants & Contributions	5,957,895	6,722,954	(765,059)	-11.4%
General Revenues:				
Property Taxes	8,065,267	8,015,267	50,000	0.6%
Federal & State Aid	10,960,483	9,184,174	1,776,309	19.3%
Other General Revenues	527,647	169,414	358,233	211.5%
Total Revenues	<u>\$ 25,770,783</u>	<u>\$ 27,316,473</u>	<u>\$ (1,545,690)</u>	<u>-5.7%</u>
Function/Program Expenditures				
Regular Instruction	\$ 7,088,785	\$ 7,005,860	\$ 82,925	1.2%
Special Education Instruction	1,349,640	1,351,387	(1,747)	-0.1%
Other Instruction	284,121	235,159	48,962	20.8%
Tuition	502,406	949,814	(447,408)	-47.1%
Student & Instruction Related Services	3,127,049	3,917,059	(790,010)	-20.2%
General Administrative	462,590	517,581	(54,991)	-10.6%
School Administrative Services	408,473	489,268	(80,795)	-16.5%
Central Services	388,218	286,611	101,607	35.5%
Administrative Information Technology	111,450	122,711	(11,261)	-9.2%
Plant Operations & Maintenance	1,809,676	2,030,255	(220,579)	-10.9%
Pupil Transportation	1,342,052	3,809,778	(2,467,726)	-64.8%
Unallocated Benefits	5,223,823	4,835,667	388,156	8.0%
Transfer to Charter Schools	315,973	422,872	(106,899)	-25.3%
Interest & Other Charges	109,133	104,618	4,515	4.3%
Food Service	664,237	584,513	79,724	13.6%
Community Education and Rec Fund	99,495	79,525	19,970	25.1%
Total Expenditures	<u>23,287,121</u>	<u>26,742,678</u>	<u>(3,455,557)</u>	<u>-12.9%</u>
Change in Net Position	2,483,662	573,795	1,909,867	332.8%
Net Position - Beginning	15,247,996	14,674,201	573,795	3.9%
Net Position - Ending	<u>\$ 17,731,658</u>	<u>\$ 15,247,996</u>	<u>\$ 2,483,662</u>	<u>16.3%</u>

Governmental Activities

During the fiscal year 2024, the net position of governmental activities increased by \$2,582,901. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$17,195,356. 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)	\$ (4,386,498)
Add Back: PERS Pension Liability	3,817,652
Less: Deferred Outflows related to pensions	(691,691)
Add Back: Deferred Inflows related to pensions	475,192
Unrestricted Net Position (Without GASB 68)	<u>\$ (785,345)</u>

Business-type Activities

During the fiscal year 2024, the net position of business-type activities decreased by \$107,567.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$536,302.

General Fund Budgeting Highlights

While the District's original general fund budget anticipated using \$1,852,366 in fund balance, the actual results for the year show an increase of \$1,772,343, as shown on Exhibit C-1.

- ❖ Actual revenues were \$227,142 more than expected, excluding on-behalf pension, social security and long-term disability reimbursements of \$3,979,848.
- ❖ Actual expenditures were \$3,542,992 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 \$3,979,848.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$6,913,664 at June 30, 2024, an increase of \$1,772,343 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 \$7,392,023, an increase of \$1,445,120 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,629,723 to \$5,945,885 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 \$1,398,379.
- Local Source Revenue increased by \$388,681.
- Transfers were made for \$315,973 to a Charter School, \$4,580 to the JPT Internal Service Fund and \$210,675 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 \$184,603 to \$1,446,138 at June 30, 2024, made up by Student Activity funds of \$62,563 and Seabrook Trust of \$1,615,318, offset by the Preschool Program for (\$231,743).

Debt service fund - During the current fiscal year, the fund balance of the School District's Debt Service fund was \$0 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 decreased by \$116,485 to \$438,415 at June 30, 2024 and the Community Education and Recreation Fund increased by \$17,246 to \$97,887.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$13,981,502 (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 \$348,047. Table 4 shows fiscal 2024 balances compared to 2023.

Table 4 Summary of Capital Assets

Capital Assets (Net of Depreciation)	June 30, 2024	June 30, 2023	Increase/ (Decrease)	Percentage Change
Land	\$ 110,676	\$ 110,676	\$	0.0%
Building and Improvements	12,767,506	12,740,518	26,988	0.2%
Equipment	1,052,187	782,261	269,926	34.5%
Right-to-Use Lease Assets	51,133		51,133	100.0%
	<u>\$ 13,981,502</u>	<u>\$ 13,633,455</u>	<u>\$ 348,047</u>	<u>2.6%</u>

The decrease in fixed assets represented Depreciation expense for the year was \$749,855 offset by additions of \$1,097,902. 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 no bonded debt outstanding. There was also \$431,414 in Compensated Absences, \$52,964 in Leases Payable and Net Pension Liability of \$3,817,652. The amount of Unvoted Debt, as of June 30, 2024 is \$23,277,168.

There is also a Bond Issue in the process of being pursued, subsequent to June 30, 2024, in the amount of \$4,000,000 for various improvements.

In addition, there is an Energy Savings Plan, with bonded debt in the amount of \$2,750,000 and a Board share of \$108,168.

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

Factors on the School District's Future

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

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

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dr. Frank Badessa, School Business Administrator, Upper Deerfield Township School District, 1385 Highway 77, Seabrook, New Jersey 08302.

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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,823,389	\$ 472,702	\$ 5,296,091
Receivables, Net	1,088,381	47,551	1,135,932
Inventory		5,065	5,065
Restricted Cash and Cash Equivalents	2,586,689		2,586,689
Capital Assets, Net (Note 5):	13,887,179	94,323	13,981,502
Total Assets	<u>22,385,638</u>	<u>619,641</u>	<u>23,005,279</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>691,691</u>		<u>691,691</u>
LIABILITIES			
Accounts Payable	144,646	78,628	223,274
Accrued Interest	4,515		4,515
Unearned Revenue	816,884	4,711	821,595
Non-current Liabilities (Note 6):			
Due Within One Year	62,111		62,111
Due Beyond One Year	4,378,625		4,378,625
Total Liabilities	<u>5,406,781</u>	<u>83,339</u>	<u>5,490,120</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>475,192</u>		<u>475,192</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	15,275,771	94,323	15,370,094
Restricted for:			
Unemployment Compensation	77,958		77,958
Scholarships	62,563		62,563
Student Activities	1,615,318		1,615,318
Other Purposes	4,550,244		4,550,244
Unrestricted (Deficit)	<u>(4,386,498)</u>	<u>441,979</u>	<u>(3,944,519)</u>
Total Net Position	<u>\$ 17,195,356</u>	<u>\$ 536,302</u>	<u>\$ 17,731,658</u>

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

UPPER 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	\$ 7,088,785	\$	\$ 2,365,762	\$ (4,723,023)	\$	\$ (4,723,023)
Special Education	1,349,640			(1,349,640)		(1,349,640)
Other Special Instruction	284,121			(284,121)		(284,121)
Support Services:						
Tuition	502,406			(502,406)		(502,406)
Student & Instruction Related Services	3,127,049		886,549	(2,240,500)		(2,240,500)
General and Business Administrative Services	462,590			(462,590)		(462,590)
School Administrative Services	408,473			(408,473)		(408,473)
Central Services	388,218			(388,218)		(388,218)
Admin Info Tech	111,450			(111,450)		(111,450)
Plant Operations and Maintenance	1,809,676			(1,809,676)		(1,809,676)
Pupil Transportation	1,342,052			(1,342,052)		(1,342,052)
Employee Benefits	5,223,823		2,308,910	(2,914,913)		(2,914,913)
Interest on Long-term Debt	109,133			(109,133)		(109,133)
Unallocated Depreciation						
Total Governmental Activities	22,207,416		5,561,221	(16,646,195)		(16,646,195)
Business-type Activities:						
Food Service	664,237	144,599	396,674		(122,964)	(122,964)
Extended Day	99,495	114,892			15,397	15,397
Total Business-type Activities	763,732	259,491	396,674		(107,567)	(107,567)
Total Primary Government	\$22,971,148	\$ 259,491	\$ 5,957,895	\$ (16,646,195)	\$ (107,567)	\$ (16,753,762)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 8,065,267	\$	\$ 8,065,267
Federal, State and Local Aid not Restricted				10,960,483		10,960,483
Tuition from Other LEA'S Within the State and Individuals				36,362		36,362
Investment Earnings				156,780	8,328	165,108
Miscellaneous Income				330,757		330,757
Transfers to Other Funds				(4,580)		(4,580)
Transfer to Charter Schools				(315,973)		(315,973)
Total General Revenues, Special Items, Extraordinary Items and Transfers				19,229,096	8,328	19,237,424
Change in Net Position				2,582,901	(99,239)	2,483,662
Net Position—Beginning				14,612,455	635,541	15,247,996
Net Position—Ending				\$ 17,195,356	\$ 536,302	\$ 17,731,658

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

UPPER 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	\$ 3,392,940	\$ 1,042,007		\$ 4,434,947
Restricted Cash and Cash Equivalents	2,830,225			2,830,225
State Aid Receivable	164,171			164,171
Federal Aid Receivable	7,229	775,512		782,741
Interfund Receivable	148,836	439,104		587,940
Other Accounts Receivable		27,600		27,600
Total Assets	\$ 6,543,401	\$ 2,284,223		\$ 8,827,624
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 4,950	\$ 21,201		\$ 26,151
Payroll Deductions Payable	118,495			118,495
Interfund Payable	474,071			474,071
Unearned Revenue		816,884		816,884
Total Liabilities	597,516	838,085		1,435,601
Fund Balances:				
Restricted For:				
Excess Surplus	2,349,084			2,349,084
Excess Surplus - Designated for Subsequent Year's Expenditures	951,196			951,196
Unemployment Compensation	77,958			77,958
Student Activity		62,563		62,563
Seabrook Trust		1,615,318		1,615,318
Capital Reserve	1,780,262			1,780,262
Maintenance Reserve	1,049,963			1,049,963
Assigned:				
Year-end Encumbrances	126,240			126,240
Designated for Subsequent Year's Expenditure	107,529			107,529
Unassigned, Reported in:				
General Fund (Deficit)	(496,347)			(496,347)
Special Revenue Fund (Deficit)		(231,743)		(231,743)
Total Fund Balances	5,945,885	1,446,138		7,392,023
Total Liabilities and Fund Balances	\$ 6,543,401	\$ 2,284,223		

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 \$26,766,628 and the accumulated depreciation is \$12,879,449 (See Note 5)

13,887,179

Long Term Net Pension Liability (3,817,652)

Deferred Pension Outflows 691,691

Deferred Pension Inflows (475,192)

Internal Service Fund 144,906

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. (4,515)

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). (623,084)

Net Position of Governmental Activities \$ 17,195,356

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

UPPER 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	\$ 8,065,267	\$		\$ 8,065,267
Tuition from Individuals	5,000			5,000
Tuition from LEAs Within the State	31,362			31,362
Interest Earned on Investments	156,780			156,780
Rent	6,500			6,500
Miscellaneous Local Sources	139,039	185,218		324,257
Total - Local Sources	8,403,948	185,218		8,589,166
State Sources	14,069,869	2,002,699		16,072,568
Federal Sources	26,291	2,333,527		2,359,818
Total Revenues	22,500,108	4,521,444		27,021,552
EXPENDITURES				
Current:				
Regular Instruction	4,351,142	2,365,762		6,716,904
Special Education Instruction	1,263,988			1,263,988
Other Special Instruction	284,121			284,121
Support Services:				
Tuition	502,406			502,406
Student & Instruction Related Services	2,086,753	886,549		2,973,302
General Administrative Services	438,338			438,338
School Administrative Services	387,058			387,058
Central Services	388,218			388,218
Admin Info Tech	111,450			111,450
Plant Operations and Maintenance	1,771,958			1,771,958
Pupil Transportation	1,342,052			1,342,052
Employee Benefits	6,984,217	1,028,053		8,012,270
Debt Service:				
Interest and Other Charges				
Principal				
Capital Outlay	566,162	636,358		1,202,520
Total Expenditures	20,477,863	4,916,722		25,394,585
Excess (Deficiency) of Revenues over Expenditures	2,022,245	(395,278)		1,626,967
OTHER FINANCING SOURCES (USES)				
Transfer to Charter School	(315,973)			(315,973)
Capital Lease Principal	138,706			138,706
Transfer to JPT Fund	(4,580)			(4,580)
Transfer to Preschool Program	(210,675)	210,675		
Total Other Financing Sources and Uses	(392,522)	210,675		(181,847)
Net Change in Fund Balances	1,629,723	(184,603)		1,445,120
Fund Balance - July 1	4,316,162	1,630,741		5,946,903
Fund Balance - June 30 (Deficit)	\$ 5,945,885	\$ 1,446,138	\$ -	\$ 7,392,023

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

UPPER 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) **\$ 1,445,120**

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	\$	(721,787)	
Capital outlays		<u>1,097,902</u>	
			376,115

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.

-

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. (4,515)

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.

788,907

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.

27,122

Proceeds from a capital lease are considered a financing source in the governmental funds.

They are not, however, a revenue in the Statement of Activities, whereby issuing debt increases long-term liabilities in the Statement of Net Position.

(138,706)

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).

88,858

Change in Net Position of Governmental Activities (A-2) **\$ 2,582,901**

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

PROPRIETARY FUNDS

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities - Enterprise Funds			Joint Pupil Transportation Internal Services Fund
	Food Service Fund	Community Education and Recreation Fund	Totals Enterprise Funds	
ASSETS				
Current Assets:				
Cash	\$ 339,848	\$ 101,817	\$ 441,665	\$ 144,906
Accounts Receivable	47,551		47,551	
Interfund Receivable	34,967		34,967	
Inventories	5,065		5,065	
Total Current Assets	427,431	101,817	529,248	144,906
Fixed Assets:				
Equipment	464,541		464,541	
Accumulated Depreciation	(370,218)		(370,218)	
Total Fixed Assets	94,323		94,323	
Total Assets	521,754	101,817	623,571	144,906
LIABILITIES:				
Current Liabilities:				
Accounts Payable	78,628		78,628	
Interfund Payable		3,930	3,930	144,906
Unearned Revenue	4,711		4,711	
Total Current Liabilities	83,339	3,930	87,269	144,906
NET POSITION				
Net Investment in Capital Assets	94,323		94,323	
Unrestricted	344,092	97,887	441,979	-
Total Net Position	\$ 438,415	\$ 97,887	\$ 536,302	\$ -

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

UPPER 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			Joint Pupil Transportation Internal Services Fund
	Food Service Fund	Community Education and Recreation Fund	Totals Enterprise Funds	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 31,848	\$	\$ 31,848	\$
Daily Sales - Non-reimbursable Programs	112,751		112,751	
Fees for Services		114,892	114,892	3,126,117
Total Operating Revenue:	144,599	114,892	259,491	3,126,117
Operating Expenses:				
Salaries	298,336	86,437	384,773	92,692
Employee Benefits	38,201		38,201	24,578
Transportation Costs				3,042,693
Supplies and Materials	36,036		36,036	20,492
Depreciation	28,068		28,068	
Cost of Sales - Reimbursable Programs	197,359		197,359	
Cost of Sales - Nonreimbursable Programs	38,435		38,435	
Miscellaneous	27,802	13,058	40,860	95
Total Operating Expenses	664,237	99,495	763,732	3,180,550
Operating Income (Loss)	(519,638)	15,397	(504,241)	(54,433)
Non-operating Revenues (Expenses):				
State Sources:				
State School Breakfast Program	977		977	
State School Lunch Program	9,528		9,528	
Summer-EBT Administrative Cost	321		321	
Federal Sources:				
National School Breakfast Program	77,191		77,191	
National School Lunch Program	262,233		262,233	
Supply Chain Assistance Funding	26,454		26,454	
P-EBT Administrative Cost Reimbursement	653		653	
Summer-EBT Administrative Cost	322		322	
Food Distribution Program	18,995		18,995	
Interest	6,479	1,849	8,328	5,171
Total Non-operating Revenues (Expenses)	403,153	1,849	405,002	5,171
Income (Loss) before Contributions & Transfers	(116,485)	17,246	(99,239)	(49,262)
Transfer from General Fund				4,580
Change in Net Position	(116,485)	17,246	(99,239)	(44,682)
Total Net Position—Beginning	554,900	80,641	635,541	44,682
Total Net Position—Ending	\$ 438,415	\$ 97,887	\$ 536,302	\$ -

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities Enterprise Funds			Joint Pupil Transportation Internal Services Fund
	Food Service Fund	Community Education and Recreation Fund	Totals Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 144,599	\$ 114,892	\$ 259,491	\$ 3,296,495
Payments to Employees	(298,336)	(86,437)	(384,773)	(92,692)
Payments for Employee Benefits	(38,201)		(38,201)	(123,321)
Payments to Suppliers	(291,094)	(13,058)	(304,152)	(3,318,708)
Net Cash Provided by (used for) Operating Activities	(483,032)	15,397	(467,635)	(238,226)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	10,826		10,826	
Federal Sources	366,853		366,853	
Operating Subsidies and Transfers to Other Funds				
Net Cash Provided by (used for) Non-capital Financing Activities	377,679		377,679	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends	6,479	1,849	8,328	5,171
Net Cash Provided by (used for) Investing Activities	6,479	1,849	8,328	5,171
Net Increase (Decrease) in Cash and Cash Equivalents	(98,874)	17,246	(81,628)	(233,055)
Balances—Beginning of Year	438,722	84,571	523,293	377,961
Balances—End of Year	\$ 339,848	\$ 101,817	\$ 441,665	\$ 144,906
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	\$ (519,638)	\$ 15,397	\$ (504,241)	\$ (54,433)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities				
Food Distribution Program	18,995		18,995	
Depreciation and Net Amortization	28,068		28,068	
(Increase) Decrease in Accounts Receivable, Net	1,688		1,688	170,378
(Increase) Decrease in Inventories	(965)		(965)	
(Increase) Decrease in Pension Outflows				21,454
Increase (Decrease) in Accounts Payable	(4,982)		(4,982)	(255,428)
Increase (Decrease) in Pension Liabilities and Inflows				(120,197)
Increase (Decrease) in Due to General	(6,182)		(6,182)	
Increase (Decrease) in Unearned Revenue	(16)		(16)	
Total Adjustments	36,606		36,606	(183,793)
Net Cash Provided by (used for) Operating Activities	\$ (483,032)	\$ 15,397	\$ (467,635)	\$ (238,226)

Noncash Investing, Capital, and Financing Activities:

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

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Upper Deerfield Township School District (District) is organized under the Constitution of the State of New Jersey. The District provides educational services as authorized by state and federal guidelines, currently operating in one instructional building.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

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.
- 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards - Continued

- 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.

A. Basis of Presentation:

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

The District's basic financial statements 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.

District-wide Statements: The statement of net position and the statement of activities display information about 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPE

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting. The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available.

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

As required by the New Jersey State 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, District taxes 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 that are legally restricted to expenditures for specified purposes.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting - Continued

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.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically 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.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds

The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund and the Community Education and Recreation Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	12 – 20 Years
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Internal Service Fund - The Upper Deerfield Township School District also maintains an Internal Service Fund for a Joint Pupil Transportation Fund, whereby services would be provided on a cost-reimbursement basis.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting - Continued

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, Fiduciary Activities.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets / Budgetary Control

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

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

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

The budget, as detailed on exhibit C-1 and exhibit C-2, 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 accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures, and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Encumbrances - Continued

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

Tuition Receivable

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets - Continued

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

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

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Compensated Absences

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences - Continued

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

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

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

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

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

Fund Balance

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balance - Continued

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

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

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

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

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

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

Interfund Activity

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Accounting Estimates

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School District's.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Deposits:

New Jersey statutes require that School Districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes (N.J.S.A.18A:20-37) permits the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2024, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents	
Checking Accounts	\$	7,851,743
Total	\$	<u>7,851,743</u>
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$4,678,483
Enterprise funds, Statement of Net Position	B-4	441,665
Internal service funds, Statement of Net Position	B-4	144,906
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>2,586,689</u>
Total cash	\$	<u>7,851,743</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk – Cont'd

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2024, the District's bank balance of \$8,537,649.19 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>8,537,649</u>
	<u>\$ 8,787,649</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to losses in fair value arising in interest rate fluctuations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

Concentration of Credit Risk - The District does not place a limit on the amount that may be invested in any one issuer.

The investments recorded in the basic financial statements have been recorded at the carrying amount of which the difference between the carrying amount and market value is not material.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2024, the District had no funds on deposit with the New Jersey Cash Management Fund.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the 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 District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A 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 to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2024.

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

Beginning Balance, July 1, 2023	\$865,606
Interest Earnings	8,656
Added in Budget	406,000
Added by Resolution	500,000
Withdrawals	<u> </u>
Ending Balance, June 30, 2024	<u>\$1,780,262</u>

Of this amount, none has been appropriated as revenue to fund the 2024-2025 operating budget.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2024. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan, in the amount of \$7,305,323.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance 7/1/2023	Additions	Adjustments/ Retirements	Ending Balance 6/30/2024
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 110,676	\$	\$	\$ 110,676
Total capital assets not being depreciated	110,676			110,676
Capital Assets being Depreciated and Amortized				
Building and building improvements	24,028,129	603,742		24,631,871
Machinery and equipment	1,394,488	494,160		1,888,648
Right-to-Use Lease Assets	135,433			135,433
Totals at historical cost	25,558,050	1,097,902		26,655,952
Less Accumulated Depreciation and Amortization				
Building and improvements	(11,287,611)	(576,754)		(11,864,365)
Equipment	(812,067)	(118,717)		(930,784)
Right-to-Use Lease Assets	(57,984)	(26,316)		(84,300)
Total Accumulated Depreciation and Amortization	(12,157,662)	(721,787)		(12,879,449)
Total Capital Assets being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization	13,400,388	376,115		13,776,503
Government Activities Capital Assets, Net	\$ 13,511,064	\$ 376,115	\$	\$ 13,887,179
	To A-1			To A-1
Business-type activities - Equipment	\$ 464,541			\$ 464,541
Less accumulated depreciation	(342,150)	(28,068)		(370,218)
Business-type Activities Capital Assets, Net	\$ 122,391	\$ (28,068)	\$	\$ 94,323

Depreciation expense was charged to governmental functions
as follows:

Regular Instruction	\$ 371,881
Special Education Instruction	85,652
Student & Instruction Related Services	153,747
School Administration	21,415
General Administration	24,252
Plant Operations and Maintenance	64,840
	<u>721,787</u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 6. LONG-TERM OBLIGATIONS

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

	Beginning Balance 7/1/2023	Additions	Reductions	Ending Balance 6/30/2024	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Other Liabilities:						
Right-to-Use Lease Liability	\$ 80,086		(27,122)	52,964	28,226	24,738
Obligations under Capital Lease		138,706		138,706	24,641	114,065
Compensated Absences Payable	520,272		(88,858)	431,414	9,244	422,170
Net Pension Liability	4,048,296		(230,644)	3,817,652		3,817,652
Total Long-term Obligations	<u>\$ 4,648,654</u>	<u>\$ 138,706</u>	<u>\$ (346,624)</u>	<u>\$ 4,440,736</u>	<u>\$ 62,111</u>	<u>\$ 4,378,625</u>
						To A-1

Business-Type Activities:

Compensated absences payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The District is in the process of issuing \$4,000,000 in Serial Bonds through the Cumberland County Improvement Authority for a school capital project that includes various building improvements to the Charles F. Seabrook School. These improvements include construction of 12 Pre-K classrooms and other related costs. The total estimated cost of this project is \$9,056,748, which includes a NJ ROD grant, in the amount of \$5,044,473.

The District has also received approval of the Local Finance Board for a NJ BPU Energy Savings Grant (ESIP) in the amount of \$2,750,000, which includes a Board share of \$108,168.

A. Bonds Authorized But Not Issued - As of June 30, 2024 - None

B. Capital Leases

The District is leasing a Telecommunications System and a Wireless Clock System under capital leases. The District issued \$138,706 in the two new capital leases during the 2023-24 school year. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. The following is a schedule of the future minimum lease payments for capital leases at June 30, 2024.

Year ending June 30,	Principal	Interest	Total
2025	\$ 24,641	\$ 7,651	\$ 32,292
2026	26,194	6,098	32,292
2027	27,848	4,444	32,292
2028	29,605	2,687	32,292
2029	30,418	1,873	32,291
	<u>\$ 138,706</u>	<u>\$ 22,753</u>	<u>\$ 161,459</u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 7. OPERATING LEASES - LEASE LIABILITY PAYABLE

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the District's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The School District's lease payments are budgeted and paid from the General Fund on an annual basis.

The School District is currently leasing Copiers in buildings throughout the District, with two five year leases, at an estimated 4% interest rate. The District does not anticipate acquiring the copiers at the end of the five year leases.

The annual amortized Principal and interest due on the lease obligations are, as of June 30, 2024 are as follows:

Year ending June 30,		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2025	\$	28,226	\$	1,605	\$	29,831
2026		14,129		682		14,811
2027		10,609		213		10,822
	\$	<u>52,964</u>	\$	<u>2,500</u>	\$	<u>55,464</u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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 \$186,463. 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 \$352,269 and \$338,279 respectively.

The total payroll for the year ended June 30, 2024 was \$12,025,035. Payroll covered by PERS was \$2,486,160 for fiscal year 2024.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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 \$3,817,652. 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 0.026357% which was a decrease of 0.00047% 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 \$(18,043). 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	\$ 36,502	\$ 15,605
Changes of assumptions	8,387	231,366
Net difference between projected and actual earnings on pension plan investments	17,581	
Changes in proportion	276,952	228,221
Contributions subsequent to the measurement date	352,269	
Total	\$ 691,691	\$ 475,192

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	\$ (366,750)
2025	(191,011)
2026	388,000
2027	(199,761)
2028	(13,218)
Thereafter	
Total	\$ (382,740)

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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	\$ 691,691	\$ 601,229
Collective deferred inflows of resources	\$ 475,192	\$ 941,513
Collective Net Pension Liability	\$ 3,817,652	\$ 4,048,296
District's Proportion	0.026357%	0.026825%

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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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	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 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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	\$ 5,011,670	\$ 3,817,652	\$ 2,860,965

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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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 \$2,698,082 to the TPAF for pension contributions, \$734,319 for post-retirement benefits on behalf of the School, and \$909 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$546,538 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 \$785,386 and revenue of \$785,386 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%

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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	<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 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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	\$ 37,754,380	\$ 31,969,028	\$ 27,185,586
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 \$2,857 and the District's employer contribution, recognized in pension expense, was \$2,104. 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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 \$40,390,207. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.07714%. 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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 disables retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
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:

	<u>June 30, 2023</u>		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.65%	3.65%	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:

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 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 \$736,333. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 5,893,047	\$ (10,638,378)
Changes of Assumptions	5,743,538	(11,146,253)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	353,145	(1,434,335)
Contributions Subsequent to the Measurement Date		
Total	\$ 11,989,730	\$ (23,218,966)

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	\$ 6,452,679
2025	6,452,679
2026	6,714,152
2027	6,074,726
2028	4,682,863
Thereafter	4,831,597
Total	\$ 35,208,696

NOTE 9. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,698,082, \$734,319 and \$909, respectively. In addition, there was \$546,538 in TPAF Social Security reimbursements.

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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 School District and its employees, is accrued as employees earn the rights to the benefits.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 10. COMPENSATED ABSENCES (CONT'D)

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

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, a liability existed for compensated absences in the governmental activities in the amount of \$431,414.

NOTE 11. DEFERRED COMPENSATION

The Board 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is GWN Marketing, Inc.

NOTE 12. 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. The District has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance - The District maintains 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 Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and prior two years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
					<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Ending</u> <u>Balance</u>
2024	\$ 10,000	\$ 19,911	\$2,069	\$ 58,578		\$ 77,958
2023	10,000	11,956	899		87,694	104,556
2022	-	18,658	919	-	29,839	144,556

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 12. RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance - Continued

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

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 148,836	\$ 474,071
Special Revenue fund	439,104	
Food Service	34,967	
Community Education		3,930
Joint Pupil Transportation		144,906
Total	<u>\$ 622,907</u>	<u>\$ 622,907</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 14. FUND BALANCES

RESTRICTED

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

General Fund

For Capital Reserve - As of June 30, 2024, the balance in the capital reserve account is \$1,780,262. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve - As of June 30, 2024, the balance in the maintenance reserve account is \$1,049,963. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024, is \$3,300,280.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2024 a restricted fund balance from employer contributions in the amount of \$77,958 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2024 is \$62,563.

For Seabrook Trust - The School District reports fund balance resulting from the receipt of distributions from the CF Seabrook Trust and interest income. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2024 is \$1,615,318.

ASSIGNED

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 14. FUND BALANCES (CONT'D)

ASSIGNED (Continued)

General Fund

Other Purposes - As of June 30, 2024, the School District had \$126,240 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025 \$107,529 of general fund balance at June 30, 2024.

UNASSIGNED

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

General Fund - As of June 30, 2024, the unassigned fund balance was a deficit of \$(496,347).

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). 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, is \$3,543,816, of which \$951,196 was budgeted in the 2024-2025 budget and \$2,592,620 is to be budgeted in the 2025-2026 budget

NOTE 16. LITIGATION

The District is sometimes involved in claims and lawsuits incidental to operations. Per the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 17. MAINTENANCE RESERVE

The District has a maintenance reserve with a balance of \$1,049,963 at June 30, 2024, of which none was anticipated as revenue in the 2024-2025 budget. There was interest earnings of \$6,539.

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. 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	\$	653,938
Added by Resolution		343,536
Added by Budget		45,950
Added by Interest Earnings		6,539
Ending Balance June 30, 2024	\$	<u>1,049,963</u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 17. MAINTENANCE RESERVE - Continued

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2024. The reserve is within the maximum balance of \$1,049,963.

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit in Unassigned Fund Balance of (\$496,348) in the General Fund and (\$231,743) in the Special Revenue Fund. P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$967,780. The special revenue fund deficit of (\$231,743) is equal to the last state aid payments.

NOTE 19. RECEIVABLES

Receivables at June 30, 2024 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Internal Service Fund	Proprietary Food Service Fund	Total
Receivables:					
Federal Awards	\$ 7,229	\$ 775,512	\$	\$ 12,389	\$ 795,130
State Awards	164,171			707	
Transportation					
Other		27,600		34,455	62,055
Totals	\$ 171,400	\$ 803,112	\$	\$ 47,551	\$ 857,185

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 20. CONTINGENT LIABILITIES

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

NOTE 21. LITIGATION

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

NOTE 22. CONCENTRATIONS

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

NOTE 23. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 30, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

UPPER 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	\$ 8,065,267	\$	\$ 8,065,267	\$ 8,065,267	\$
Tuition from Individuals				5,000	5,000
Tuition from LEAs Within the State				31,362	31,362
Rents and Royalties	6,500		6,500	6,500	
Interest on Investments	120,000		120,000	141,585	21,585
Interest on Investments - Maintenance Reserve	150		150	6,539	6,389
Interest on Investments - Capital Reserve	150		150	8,656	8,506
Miscellaneous				139,038	139,038
Total - Local Sources	8,192,067		8,192,067	8,403,947	211,880
State Sources:					
Equalization Aid	8,777,231		8,777,231	8,777,231	
Categorical Special Education	708,262		708,262	708,262	
Transportation Aid	380,486		380,486	380,486	
Security Aid	187,464		187,464	187,464	
Securing Our Children's Future Bond Act		41,941	41,941	41,941	
Extraordinary Aid	100,000		100,000	119,513	19,513
Non-Public Transportation Aid				17,745	17,745
Lead Testing Aid					
On-behalf TPAF Pension Contribution				2,698,082	2,698,082
On-behalf TPAF Post Retirement Medical Contribution				734,319	734,319
On-behalf TPAF Long-term Disability Contribution				909	909
Reimbursement TPAF Social Security				546,538	546,538
Total - State Sources	10,153,443	41,941	10,195,384	14,212,490	4,017,106
Federal Sources:					
Medicaid Assistance (SEMI)	48,287		48,287	26,291	(21,996)
Total - Federal Sources	48,287		48,287	26,291	(21,996)
TOTAL REVENUES	\$ 18,393,797	\$ 41,941	\$ 18,435,738	\$ 22,642,728	\$ 4,206,990
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$	\$	\$	\$	\$
Kindergarten	395,778		395,778	330,693	65,085
Grades 1-5	2,219,857	(11,300)	2,208,557	2,085,101	123,456
Grades 6-8	1,759,690	(6,450)	1,753,240	1,635,205	118,035
Home Instruction:					
Salaries of Teachers	30,000		30,000	25,800	4,200
Purchased Professional Educational Services	25,000		25,000	16,346	8,654
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	181,457	(12,825)	168,632	45,560	123,072
Purchased Technical Services	149,000	(12,214)	136,786	68,462	68,324
General Supplies	267,000	(1,563)	265,437	141,803	123,634
Textbooks	1,400	(400)	1,000		1,000
Other Objects	2,250	400	2,650	2,172	478
Total Regular Programs	\$ 5,031,432	\$ (44,352)	\$ 4,987,080	\$ 4,351,142	\$635,938

UPPER 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	\$ 69,107	\$ 132,371	\$ 201,478	\$ 201,478	\$
General Supplies		2,900	2,900	2,614	286
Total Learning/Language Disabled	69,107	135,271	204,378	204,092	286
Multiple Disabilities:					
Salaries of Teachers	66,997	135,741	202,738	202,079	659
Other Salaries for Instruction	24,000	(9,010)	14,990		14,990
General Supplies	3,000	1,395	4,395	4,010	385
Total Multiple Disabilities	93,997	128,126	222,123	206,089	16,034
Resource Room:					
Salaries of Teachers	1,112,939	(285,923)	827,016	806,686	20,330
Other Salaries for Instruction	83,540	(4,773)	78,767	40,885	37,882
General Supplies	20,700		20,700	6,236	14,464
Total Resource Room	1,217,179	(290,696)	926,483	853,807	72,676
Autism:					
Salaries of Teachers					
General Supplies					
Total Autism					
TOTAL SPECIAL EDUCATION	1,380,283	(27,299)	1,352,984	1,263,988	88,996
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	96,245	21,415	117,660	109,102	8,558
Other Salaries for Instruction	99,662	(14,180)	85,482	85,482	
General Supplies	2,500	(2,105)	395		395
Total Basic Skills/Remedial Instruction	198,407	5,130	203,537	194,584	8,953
Bilingual Education - Instruction:					
Salaries of Teachers	89,108	73	89,181	89,181	
Purchased Profesional-Education Services	15,000	(5,203)	9,797		9,797
General Supplies	1,000		1,000	356	644
Total Bilingual Instruction	105,108	(5,130)	99,978	89,537	10,441
School Sponsored Co-curricular Activities:					
Salaries					
Total School Sponsored Co-curricular Activities					
School Sponsored Athletics:					
Salaries					
Total School Sponsored Athletics					
Total Instruction	6,715,230	(71,651)	6,643,579	5,899,251	744,328
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Special	225,936	25,983	251,919	251,919	
Tuition to CSSD & Reg. Dat Schools	469,354	(25,983)	443,371	32,996	410,375
Tuition to Private Schools for the Disabled Within State	585,165	(65,629)	519,536	217,491	302,045
Total Undistributed Expenditures - Instruction	\$ 1,280,455	\$ (65,629)	\$ 1,214,826	\$ 502,406	\$ 712,420

UPPER 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	\$	\$	\$	\$	\$
Total Attendance and Social Work Services					
Health Services:					
Salaries	234,947	10,672	245,619	223,137	22,482
Purch Prof/ Tech Services	4,300	482	4,782	4,782	
Other Purchased Services	100	(90)	10		10
Supplies and Materials	7,100	2,205	9,305	8,945	360
Total Health Services	246,447	13,269	259,716	236,864	22,852
Speech, OT, PT & Related Services:					
Salaries	171,166	5,900	177,066	175,994	1,072
Purchased Prof - Education Services	101,250	69,053	170,303	170,303	
Supplies and Materials	1,000	(372)	628	128	500
Total Speech, OT, PT & Related Services	273,416	74,581	347,997	346,425	1,572
Other Support Services - Extraordinary Services:					
Salaries	425,592	(45,502)	380,090	367,906	12,184
Total Other Support Services - Extraordinary Services	425,592	(45,502)	380,090	367,906	12,184
Other Support Services - Students-Regular Guidance:					
Salaries Other Professionals	317,436	(9,032)	308,404	223,339	85,065
Other Salaries	2,425	575	3,000		3,000
Other Purch Prof/ Tech Services		68	68		68
Supplies and Materials	4,000		4,000	1,790	2,210
Total Other Support Services - Students-Regular Guidance	323,861	(8,389)	315,472	225,129	90,343
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	447,767	(155,206)	292,561	276,337	16,224
Salaries of Secretarial and Clerical Assistants	48,281		48,281	48,281	
Other Salaries		15,000	15,000		15,000
Purchased Professional- Educational services	59,850	97,666	157,516	157,516	
Other Purchased Prof, and Tech. Services	17,000	(3,000)	14,000	13,674	326
Other Purchased Services (400 - 500 series)	6,050	(595)	5,455	3,211	2,244
Supplies and Materials	12,500	7,385	19,885	19,339	546
Total Other Support Services - Students- Child Study Teams	591,448	(38,750)	552,698	518,358	34,340
Improvement of Instructional Services:					
Salaries of Other Professional Staff		238,894	238,894	191,554	47,340
Supplies and Materials	212,538	(212,538)			
Purchased Prof.- Educational Services	1,000		1,000		1,000
Other Purch Prof. and Tech. Services	10,500	(2,300)	8,200		8,200
Total Improvement of Instructional Services	224,038	24,056	248,094	191,554	56,540
Educational Media Services/School Library:					
Salaries	153,544	2,300	155,844	151,769	4,075
Salaries of Technology Coordinators		26,742	26,742	26,742	
Purchased Professional and Technial Services	4,350		4,350	1,508	2,842
Other Purchased Services	400		400	279	121
Supplies and Materials	6,000		6,000	2,685	3,315
Total Educational Media Services/School Library	\$ 164,294	\$ 29,042	\$ 193,336	\$ 182,983	\$ 10,353

UPPER 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:					
Purchased Professional and Educational Services	\$ 20,000	\$ 999	\$ 20,999	\$ 16,434	\$ 4,565
Other Purchased Services	2,500		2,500	1,100	1,400
Total Inst. Staff Training Services	22,500	999	23,499	17,534	5,965
Support Services General Administration:					
Salaries	252,533	(5,216)	247,317	247,075	242
Legal Services	10,750	11,388	22,138	22,138	
Audit Fees	23,000	5,425	28,425	28,425	
Architectural/Engineering Services	19,000	(6,270)	12,730	7,965	4,765
Other Purchased Prof. Services	12,500	(7,937)	4,563	4,544	19
Communication/Telephone	42,000		42,000	40,195	1,805
BOE Other Purchased Services	2,000	(1,329)	671	361	310
Misc. Purch Serv(400-500)[Other than 530 & 585]	62,000	(1,348)	60,652	60,652	
General Supplies	5,000	(2,677)	2,323	1,590	733
BOE In-House Training/ Meeting Supplies	775	(1)	774	692	82
Miscellaneous Expenditures	9,900	7,725	17,625	17,125	500
BOE Membership Dues and Fees	7,400	176	7,576	7,576	
Total Support Services General Administration	446,858	(64)	446,794	438,338	8,456
Support Services School Administration:					
Salaries of Principals/Assistant Principals	164,580	(33,740)	130,840	130,559	281
Salaries of Secretarial and Clerical Assistants	170,199	18,054	188,253	188,046	207
Other Salaries		965	965		965
Other Purchased Services	36,000	7,616	43,616	43,293	323
Supplies and Materials	21,000	(1,469)	19,531	18,506	1,025
Other Objects	5,000	1,654	6,654	6,654	
Total Support Services School Administration	396,779	(6,920)	389,859	387,058	2,801
Central Services:					
Salaries	262,046	70,600	332,646	332,361	285
Purchased Technical Services	37,600	2,869	40,469	40,169	300
Misc. Purchased services (400-500) [O/T 594]	5,050	(476)	4,574	4,574	
Supplies and Materials	5,200	2,449	7,649	7,398	251
Other Objects	2,700	1,024	3,724	3,716	8
Total Central Services	312,596	76,466	389,062	388,218	844
Admin. Info. Technology:					
Salaries	53,484	(26,742)	26,742	26,742	
Purchased Prof. Services	61,000	72	61,072	61,057	15
Other Purchased Services(400-500 Series)	5,000	(2,092)	2,908	2,901	7
Supplies and Materials	16,500	4,312	20,812	20,750	62
Other Objects	200		200		200
Total Admin. Info. Technology	136,184	(24,450)	111,734	111,450	284
Required Maintenance for School Facilities:					
Salaries	96,117	47,258	143,375	142,561	814
Cleaning, Repair and Maintenance Services	607,800	(83,583)	524,217	324,979	199,238
Lead Testing of Drinking Water	1,000		1,000		1,000
General Supplies	56,000		56,000	17,947	38,053
Required Maintenance for School Facilities:	\$ 760,917	\$ (36,325)	\$ 724,592	\$ 485,487	\$ 239,105

UPPER 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	\$ 626,711	\$ (30,094)	\$ 596,617	\$ 549,687	\$ 46,930
Salaries of Non-Instructional Aids	112,010	(26,813)	85,197	14,226	70,971
Purchased Professional and Technical Services	22,100	7,575	29,675	29,675	
Cleaning, Repair, and Maintenance Services	52,000	(5,239)	46,761	44,883	1,878
Other purchased Property Services	3,500		3,500	2,520	980
Insurance	100,030		100,030	99,333	697
General Supplies	70,000	16,136	86,136	76,224	9,912
Energy (Natural Gas)	120,000		120,000	87,611	32,389
Energy (Electricity)	350,000		350,000	317,480	32,520
Energy (oil)	5,000	(1,809)	3,191		3,191
Energy (Gasoline)	5,000		5,000	4,758	242
Other Objects	4,500	1,809	6,309	6,309	
Total Custodial Services	1,470,851	(38,435)	1,432,416	1,232,706	199,710
Security:					
Salaries	62,160		62,160	53,765	8,395
Total Security	62,160		62,160	53,765	8,395
Care and Upkeep of Grounds:					
Salaries	44,014		44,014		44,014
Total Care and Upkeep of Grounds	44,014		44,014		44,014
Total Operation and Maintenance of Plant Services	2,337,942	(74,760)	2,263,182	1,771,958	491,224
Salaries - Between Home & School - Regular					
Management Fee - ESC & CTSA Trans. Program	35,000		35,000	27,004	7,996
Contracted Services - Aid in Lieu of Payments - Nonpublic	58,554	(2,135)	56,419	47,842	8,577
Contracted Services - Aid in Lieu of Payments - Choice Sch	20,000	2,135	22,135	20,970	1,165
Contracted Services (Other Than Bet Home & Sch) Vendor	46,000		46,000	40,202	5,798
Contracted Services (Bet Home & Sch) Joint Agmnts	570,000	101,775	671,775	671,775	
Contract. Serv.(Reg Students)- ESCs &CTSAs	4,000		4,000	3,612	388
Contract. Serv.(Spl. Ed. Students)- ESCs &CTSAs	252,896	277,751	530,647	530,647	
Total Student Transportation Services	986,450	379,526	1,365,976	1,342,052	23,924
Allocated Benefits:					
Student Transportation Services					
Social Security Contributions					
Unallocated Benefits:					
Social Security Contributions	311,450	7,786	319,236	282,908	36,328
Other Retirement Contributions - PERS	375,000	21,721	396,721	395,691	1,030
Unemployment Compensation	10,000		10,000	10,000	
Workers Compensation	145,700		145,700	95,441	50,259
Health Benefits	3,292,750	(343,405)	2,949,345	2,196,811	752,534
Tuition Reimbursement	33,000		33,000	23,518	9,482
Other Employee Benefits	20,000		20,000		20,000
Total Unallocated Benefits	4,187,900	(313,898)	3,874,002	3,004,369	869,633
On-behalf TPAF Pension Contributions				2,698,082	(2,698,082)
On-behalf TPAF Post Retirement Medical Contribution				734,319	(734,319)
On-behalf TPAF Long-term Disability Contribution				909	(909)
Reimbursement TPAF Social Security				546,538	(546,538)
Total Personal Services - Employee Benefits	4,187,900	(313,898)	3,874,002	6,984,217	(3,110,215)
Total Undistributed Expenditures	12,356,760	19,577	12,376,337	14,012,450	(1,636,113)
Interest Earned on Maintenance Reserve	150		150		150
Increase in Maintenance Reserve	45,950		45,950		45,950
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 19,118,090	\$ (52,074)	\$ 19,066,016	\$ 19,911,701	\$ (845,685)

UPPER 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:					
Support Services - Students-Reg		20,603	20,603	10,301	10,302
Admin. Info. Tech		10,854	10,854	10,854	
Undistributed Expenditures - Required Maintenance for School Facilities	45,000	84,071	129,071	84,071	45,000
Undist. Exp. - Security		12,000	12,000	12,000	
Total Equipment	45,000	127,528	172,528	117,226	55,302
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		240,861	240,861	163,671	77,190
Construction Services		50,834	50,834	41,941	8,893
Assessment for Debt Service on SDA Funding	104,618		104,618	104,618	
Total Facilities Acquisition and Construction Services	104,618	291,695	396,313	310,230	86,083
Increase in Capital Reserve	406,000		406,000		406,000
Interest Deposited to Capital Reserve	150		150		150
Assets Acquired Under Capital Leases				138,706	(138,706)
TOTAL CAPITAL OUTLAY	555,768	419,223	974,991	566,162	408,829
TOTAL EXPENDITURES	\$ 19,673,858	\$ 367,149	\$ 20,041,007	\$ 20,477,863	\$ (436,856)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (1,280,061)	\$ (325,208)	\$ (1,605,269)	\$ 2,164,865	\$ 3,770,134
Other financing sources (uses):					
Operating Transfer out - Charter Schools	(361,630)		(361,630)	(315,973)	45,657
Capital Reserve - Transfer to Capital Projects				138,706	138,706
Capital Lease Principal				(4,580)	(4,580)
Transfer to JPT Fund				(210,675)	
Transfer to Preschool Program	(210,675)		(210,675)		
Total Other Financing Sources	(572,305)		(572,305)	(392,522)	179,783
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,852,366)	(325,208)	(2,177,574)	1,772,343	3,949,917
Fund Balances, July 1	5,141,321		5,141,321	5,141,321	
Fund Balances, June 30	\$ 3,288,955	\$ (325,208)	\$ 2,963,747	\$ 6,913,664	\$ 3,949,917
RECAPITULATION :					
Reserved:					
Restricted Fund Balance:					
Excess Surplus				\$ 2,349,084	
Excess Surplus - Designated for Subsequent Year's Expenditures				951,196	
Unemployment Compensation				77,958	
Capital Reserve				1,780,262	
Maintenance Reserve				1,049,963	
Assigned:					
Encumbrances				126,240	
Designated for Subsequent Year's Expenditures				107,529	
Unassigned Fund Balance				471,432	
				6,913,664	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(967,779)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,945,885	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources:					
Preschool Education Aid	\$ 3,111,881	\$	\$ 3,111,881	\$ 2,205,093	\$ (906,788)
SDA Emergent Needs Capital		22,497	22,497	19,151	(3,346)
Total - State Sources	3,111,881	22,497	3,134,378	2,224,244	(910,134)
Local Sources:					
JIF Financial Award	49,660		49,660	27,600	(22,060)
Student Activities	79,530	21,618	101,148	51,078	(50,070)
Seabrook Trust		19,495	19,495	106,540	87,045
Total - Local Sources	129,190	41,113	170,303	185,218	14,915
Federal Sources:					
Title I	303,610		303,610	303,610	
Title II	37,184		37,184	37,184	
Title III	10,475		10,475	10,362	(113)
Title IV	19,529		19,529	14,425	(5,104)
I.D.E.A., Part B	224,521	57,885	282,406	282,406	
I.D.E.A., Part B Preschool		7,046	7,046	7,045	(1)
ARP ESSER III	1,030,159		1,030,159	910,531	(119,628)
ARP ACC Learning	39,679		39,679	38,029	(1,650)
ARP Summer BSL	32,500		32,500	7,500	(25,000)
ARP Beyond EBC	16,802		16,802	25,000	8,198
ARP NJ TSS	27,900		27,900	45,000	17,100
ARP Homeless		14,925	14,925	14,925	
Total - Federal Sources	1,742,359	79,856	1,822,215	1,696,017	(126,198)
Total Revenues	4,983,430	143,466	5,126,896	4,105,479	(1,021,417)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,622,091	(151,159)	1,470,932	1,300,594	170,338
Salaries - Other Instruction	586,570	113,730	700,300	649,256	51,044
Purchased Professional & Tech. Services	98,287	(8,799)	89,488	37,403	52,085
Tuition	185,116	106,566	291,682	287,288	4,394
General Supplies	133,353	2,301	135,654	82,834	52,820
Other Objects	1,083	49	1,132	1,132	
Total Instruction	2,626,500	62,688	2,689,188	2,358,507	330,681
Support Services					
Salaries	61,952	43,909	105,861	105,416	445
Salaries of Program Directors	74,505.00		74,505	74,505	
Salaries of Other Professionals	176,497		176,497	165,229	11,268
Salaries of Commun. Parent Involvement Spec.	42,200		42,200	38,447	3,753
Salaries of Coach/ Mentor	71,892		71,892	42,502	29,390
Personal Services-Employee Benefits	1,104,253	497	1,104,750	1,028,053	76,697
Purchased Profess. Tech. Services	87,999	(30,360)	57,639	57,639	
Purchased Profess. Ed. Services	96,424	(23,804)	72,620	2,000	70,620
#REF!		22,497	22,497		22,497
Other Purchased Services	71,201	(18,708)	52,493	50,126	2,367
Cleaning, Repair, & Maintenance Services	61,767		61,767	17,587	44,180
Contr. Serv. Trans. - Field Trips	34,498		34,498	195	34,303
Travel	14,585		14,585		14,585
Supplies and Materials	133,225	(10,001)	123,224	21,661	101,563
Other Objects	114,425		114,425	81,676	32,749
Student Activity	69,366	21,618	90,984	90,984	
Seabrook Trust		19,494	19,494	19,494	
Total Support Services	2,214,789	25,142	2,239,931	1,795,514	444,417
Facilities Acquisition and Construction Services:					
Building					
Construction Services	49,660		49,660	27,600	22,060
Capital Outlay		19,151		19,151	
Instructional Equipment	12,606	48,632	61,238	61,238	
Non-Instructional Equipment	79,875	(12,147)	67,728	7,004	60,724
Total Facilities Acquisition and Construction Services	142,141	55,636	197,777	114,993	82,784
Total Expenditures	4,983,430	143,466	5,126,896	4,269,014	857,882
Other Financing Sources (Uses)					
Total Outflows	4,983,430	143,466	5,126,896	4,269,014	857,882
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (163,535)	\$ (163,535)
Transfer from General Fund				210,675	210,675
Fund Balance, July 1				1,630,741	1,630,741
Fund Balance, June 30				\$ 1,677,881	\$ 1,677,881
Recapitulation:					
Restricted:					
Student Activity				62,563	
Seabrook Trust				1,615,318	
Total Fund Balance				1,677,881	

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

UPPER 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] \$ 22,642,729	E-1 \$ 4,105,479
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		673,644
Prior Year		
Current Year		(25,936)
 Prior Year State Aid Adjustment		(177,480)
 State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	825,159	177,480
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(967,780)	(231,743)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 22,500,108	[B-2] \$ 4,521,444
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 20,477,863	E-1 \$ 4,269,014
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		673,644
Prior Year		
Current Year		(25,936)
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] \$ 20,477,863	[B-2] \$ 4,916,722

REQUIRED SUPPLEMENTARY INFORMATION - PART III

UPPER 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	0.026357%	0.026825%	0.025513%	0.024117%	0.027381%	0.027418%	0.027176%	0.025300%	0.026039%	0.023792%
District's Proportionate Share of the Net Pension Liability	\$ 5,011,670	\$ 4,048,296	\$ 3,022,449	\$ 3,932,855	\$ 4,933,706	\$ 5,398,398	\$ 6,326,249	\$ 7,493,115	\$ 5,845,193	\$ 4,454,654
District's Covered-Employee Payroll	\$ 2,486,160	\$ 2,205,008	\$ 2,071,260	\$ 1,947,156	\$ 2,148,708	\$ 2,062,200	\$ 2,036,044	\$ 1,904,992	\$ 1,854,124	\$ 1,821,580
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	201.58%	183.60%	145.92%	201.98%	229.61%	261.78%	310.71%	393.34%	315.25%	244.55%
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%

N/A = Information not available

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.

UPPER 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	\$ 352,269	\$ 338,279	\$ 298,792	\$ 263,828	\$ 266,341	\$ 272,717	\$ 251,761	\$ 224,761	\$ 223,864	\$ 196,144
Contributions in relation to the Contractually Required Contribution	(352,269)	(338,279)	(298,792)	(263,828)	(266,341)	(272,717)	(251,761)	(224,761)	(223,864)	(196,144)
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	\$ 2,486,160	\$ 2,205,008	\$ 2,071,260	\$ 1,947,156	\$ 2,148,708	\$ 2,062,200	\$ 2,036,044	\$ 1,904,992	\$ 1,854,124	\$ 1,821,580
Contributions as a Percentage of Covered-Employee Payroll	14.17%	15.34%	14.43%	13.55%	12.40%	13.22%	12.37%	11.80%	12.07%	10.77%

N/A = Information not available

* 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.

UPPER 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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.062644%	0.060069%	0.057502%	0.059770%	0.060835%	0.060721%	0.057607%	0.057595%	0.061200%	0.063799%
District's Proportionate Share of the Net Pension Liability	\$ 31,969,028	\$ 30,992,346	\$ 27,644,301	\$ 39,358,104	\$ 37,335,027	\$ 38,629,266	\$ 38,840,746	\$ 45,307,839	\$ 38,680,746	\$ 32,845,085
District's Covered-Employee Payroll	\$ 7,594,505	\$ 8,492,488	\$ 8,046,768	\$ 7,598,272	\$ 7,600,812	\$ 7,534,408	\$ 7,505,232	\$ 6,971,856	\$ 6,927,228	\$ 7,347,528
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	420.95%	364.94%	343.55%	517.99%	491.20%	512.70%	517.52%	649.87%	558.39%	447.02%
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%

N/A = Information not available

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.

UPPER 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	\$ 1,533,705	\$ 1,891,006	\$ 2,195,543	\$ 1,291,324	\$ 1,253,442	\$ 1,434,672	1,735,555
Interest Cost	1,422,494	1,028,392	1,193,828	1,192,755	1,447,721	1,567,608	1,359,330
Changes of Benefit Terms			(48,984)				
Differences Between Expected and Actual Experiences	(380,623)	1,261,343	(10,448,420)	9,318,793	(5,613,168)	(4,027,371)	
Changes of Assumptions	81,410	(10,409,957)	45,403	9,862,725	495,599	(4,205,280)	(5,751,988)
Member Contributions	36,453	32,679	30,520	28,491	30,246	33,867	36,522
Gross Benefit Payments	(1,108,857)	(1,018,653)	(940,402)	(939,979)	(1,020,345)	(979,894)	(991,851)
Net Change in Total OPEB Liability	1,584,582	(7,215,190)	(7,972,512)	20,754,109	(3,406,505)	(6,176,398)	(3,612,432)
Total OPEB Liability - Beginning	38,805,625	46,020,815	53,993,327	33,239,218	36,645,723	42,822,121	46,434,553
Total OPEB Liability - Ending	\$ 40,390,207	\$ 38,805,625	\$ 46,020,815	\$ 53,993,327	\$ 33,239,218	\$ 36,645,723	42,822,121
Covered-Employee Payroll	\$ 10,080,665	\$ 9,200,206	\$ 8,997,652	\$ 8,623,962	\$ 8,205,644	\$ 8,196,598	8,219,375
Total OPEB Liability as a Percentage of Covered-Employee Payroll	400.67%	421.79%	511.48%	626.08%	405.08%	447.08%	520.99%

N/A = Information not available

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.

UPPER 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				IDEA		Sub-Total Per E-1 (2)	Sub-Total Per E-1 (3)	Totals	
	Title I Part A	Title II Part A	Title III Part A	Title IV Part A	I.D.E.A. Part B Basic	I.D.E.A. Pre- School			2024	2023
	2023-2024	2023-2024	2023-2024	2023-2024						
REVENUES:										
Federal Sources	\$ 303,610	\$ 37,184	\$ 10,362	\$ 14,425	\$ 282,406	\$ 7,045	\$ 1,040,985	\$ -	\$ 1,696,017	\$ 2,904,069
State Sources								2,224,244	2,224,244	1,830,705
Local Sources								185,218	185,218	185,806
Total Revenues	303,610	37,184	10,362	14,425	282,406	7,045	1,040,985	2,409,462	4,105,479	4,920,580
EXPENDITURES:										
Instruction:										
Salaries of Teachers	158,172	22,400	5,887				261,616	852,519	1,300,594	1,191,747
Salaries - Other Instruction						6,499	103,978	538,779	649,256	430,606
Purchased Professional & Tech. Services				2,475			28,224	6,704	37,403	33,739
Tuition				4,882	282,406				287,288	215,780
General Supplies	748			7,068			34,320	40,698	82,834	395,512
Other Objects		448	635			49			1,132	15,275
Total Instruction	158,920	22,848	6,522	14,425	282,406	6,548	428,138	1,438,700	2,358,507	2,282,659
Support Services:										
Salaries							105,416		105,416	213,767
Salaries of Supervisors of Instruction										
Salaries of Program Directors								74,505	74,505	32,575
Salaries of Other Professionals								40,448	40,448	35,484
Salaries of Secretary/Clerical								12,000	12,000	
Other Salaries	26,500							86,281	112,781	
Salaries of Commun. Parent Involvement Spec.								38,447	38,447	11,345
Salaries of Master Teachers										63,407.00
Salaries of Coach/ Mentor								42,502	42,502	
Personal Services-Employee Benefits	118,190	14,336	3,840			497	244,501	646,689	1,028,053	666,459
Purchased Profess. Tech. Services							57,639		57,639	176,445
Purchased Profess. Ed. Services								2,000	2,000	
Purchased Profess. Services										329,000
Other Purchased Services							50,126		50,126	53,826
Cleaning, Repair, & Maintenance Services								17,587	17,587	
Contr. Serv. Trans. - Field Trips								195	195	195
Travel										279
Supplies and Materials							5,247	16,414	21,661	99,415
Other Objects							81,676		81,676	61,301
Student Activity								90,984	90,984	79,106
Seabrook Trust								19,494	19,494	59,025
Total Support Services	144,690	14,336	3,840			497	544,605	1,087,546	1,795,514	1,881,629
Facilities Acquisition/Construction:										
Building										
Construction Services								27,600	27,600	
Capital Outlay								19,151	19,151	
Instructional Equipment							61,238		61,238	275,104
Non-Instructional Equipment							7,004		7,004	539,746
Total Facilities Acquisition/Construction							68,242	46,751	114,993	814,850
Total Expenditures	\$ 303,610	\$ 37,184	\$ 10,362	\$ 14,425	\$ 282,406	\$ 7,045	\$ 1,040,985	\$ 2,572,997	\$ 4,269,014	\$ 4,979,138
Excess (Deficiency) of Revenues Over (Under) Expenditures							-	(163,535)	(163,535)	(58,558)
Transfer from General Fund								210,675	210,675	106,144
Fund Balance, July 1								1,630,741	1,630,741	1,583,155
Fund Balance, June 30							\$ -	\$ 1,677,881	\$ 1,677,881	\$ 1,630,741

UPPER 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)

	ARP ESSER	ARP ESSER Learning Accel.	Summer Learning EBSL	Beyond School Day EBC	Mental Health NJTSS	ARP HCY II Homeless	Totals 2024
REVENUES:							
Federal Sources	\$ 910,531	\$ 38,029	\$ 7,500	\$ 25,000	\$ 45,000	\$ 14,925	\$ 1,040,985
State Sources							
Local Sources							
Total Revenues	910,531	38,029	7,500	25,000	45,000	14,925	1,040,985
EXPENDITURES:							
Instruction:							
Salaries of Teachers	261,616						261,616
Salaries - Other Instruction	103,978						103,978
Purchased Profess. Tech. Services	10,445	17,779					28,224
Tuition							
General Supplies	1,820		7,500	25,000			34,320
Other Objects							
Total Instruction	377,859	17,779	7,500	25,000			428,138
Support Services:							
Salaries	105,416						105,416
Salaries of Program Directors							
Salaries of Other Professionals							
Salaries of Commun. Parent Involvement Spec.							
Salaries of Master Teachers							
Salaries of Coach/ Mentor							
Personal Services-Employee Benefits	224,251	20,250					244,501
Purchased Profess. Tech. Services	12,639				45,000		57,639
Purchased Profess. Services							
Other Purchased Services	35,201					14,925	50,126
Contr. Serv. Trans. - Field Trips							
Travel							
Supplies and Materials	5,247						5,247
Other Objects	81,676						81,676
Student Activity							
Seabrook Trust							
Total Support Services	464,430	20,250			45,000	14,925	544,605
Facilities Acquisition/Construction:							
Building							
Instructional Equipment	61,238						61,238
Non-Instructional Equipment	7,004						7,004
Total Facilities Acquisition/Construction	68,242						68,242
Total Expenditures	\$ 910,531	\$ 38,029	\$ 7,500	\$ 25,000	\$ 45,000	\$ 14,925	\$ 1,040,985
Excess (Deficiency) of Revenues Over (Under) Expenditures							-
Transfer from General Fund							
Fund Balance, July 1							
Fund Balance, June 30							\$ -

UPPER 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)

	SDA Emergent Needs	Preschool Education 2023-24	Tennis Grant	Seabrook Trust	Student Activity Fund	Totals 2024
REVENUES:						
Federal Sources						
State Sources	\$ 19,151	\$ 2,205,093				\$ 2,224,244
Local Sources			\$ 27,600	\$ 106,540	\$ 51,078	185,218
Total Revenues	19,151	2,205,093	27,600	106,540	51,078	2,409,462
EXPENDITURES:						
Instruction:						
Salaries of Teachers		852,519				852,519
Salaries - Other Instructional		538,779				538,779
Purchased Prof & Ed Services		6,704				6,704
Other Purchased Services						
Tuition						
Other Objects						
General Supplies		40,698				40,698
Total Instruction		1,438,700				1,438,700
Support Services:						
Salaries						
Salaries of Supervisors of Instruction						
Salaries of Program Directors		74,505				74,505
Salaries of Other Professionals		40,448				40,448
Salaries of Secr. And Clerical Assistants		12,000				12,000
Other Salaries		86,281				86,281
Salaries of Commun. Parent Involvement Spec.		38,447				38,447
Salaries of Master Teachers						
Salaries of Coach/ Mentor		42,502				42,502
Personal Services-Employee Benefits		646,689				646,689
Purchased Profess. Tech. Services						
Purchased Profess. Education Services		2,000				2,000
Purchased Profess. Services						
Other Purchased Services						
Cleaning, Repair, & Maintenance Services		17,587				17,587
Contr. Serv. Trans. - Field Trips		195				195
Travel						
Supplies ans Materials		16,414				16,414
Other Objects						
Student Activity					90,984	90,984
Seabrook Trust				19,494		19,494
Total Support Services		977,068		19,494	90,984	1,087,546
Facilities Acquisition/Construction:						
Construction Services			27,600			27,600
Capital Outlay	19,151					19,151
Instructional Equipment						
Non-Instructional Equipment						
Total Facilities Acquisition/Construction	19,151		27,600			46,751
Total Expenditures	\$ 19,151	\$ 2,415,768	\$ 27,600	\$ 19,494	\$ 90,984	\$ 2,572,997
Excess (Deficiency) of Revenues Over (Under) Expenditures		(210,675)		87,046	(39,906)	(163,535)
Transfer from General Fund		210,675				210,675
Fund Balance, July 1				1,528,272	102,469	1,630,741
Fund Balance, June 30				\$ 1,615,318	\$ 62,563	\$ 1,677,881

UPPER 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	\$ 998,310	\$ 852,519	\$ 145,791
Other Salaries for Instruction	538,779	538,779	
Unused Vacation Payment to Term/ Retired Staff	50,450		50,450
Purchased Prof/ Educ Services	6,704	6,704	
General Supplies	111,612	40,698	70,914
Total Instruction	1,705,855	1,438,700	267,155
Support Services:			
Salaries	12,500		12,500
Salaries of Program Directors	62,005	74,505	(12,500)
Salaries of Other Professionals	40,448	40,448	
Salaries of Secr. And Clerical Assistants	12,000	12,000	
Other Salaries	97,549	86,281	11,268
Salaries of Commun. Parent Involvement Spec.	42,200	38,447	3,753
Salaries of Coach/ Mentor	71,892	42,502	29,390
Personal Services-Employee Benefits	689,590	646,689	42,901
Purchased Profess. Ed. Services	89,720	2,000	87,720
Cleaning, Repairs and Maintenance	61,767	17,587	44,180
Contr. Serv. Trans. - Field Trips	34,498	195	34,303
Travel	14,585		14,585
Supplies & Materials	97,397	16,414	80,983
Total Support Services	1,326,151	977,068	349,083
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non Instructional Equipment	79,875		79,875
Total Facilities Acquisition and Const. Services	79,875		79,875
Contribution to Charter Schools			
Total Expenditures	\$ 3,111,881	\$ 2,415,768	\$ 696,113

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 2,317,425	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2023)	670,270	(2)
Add: Budgeted Transfer from the General Fund 2023-2024	210,675	(3)
Total Preschool Education Aid Funds Available for 2023-2024 Budget	3,198,370	(4)
Less: 2021-2022 Budgeted Preschool Education Aid (including prior year budget carryover)	(3,111,881)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	86,489	(6)
Add: June 30, 2024 Unexpended Preschool Education Aid	696,113	(7)
Less: 2023-2024 Commissioner-approved Transfer to the General Fund		(8)
2023-2024 Carryover - Preschool Education Aid Programs	\$ 782,602	(9)
2023-2024 Preschool Education Aid Carryover Budgeted for Preschool Programs 2024-2025	\$ 670,270	(10)

The Board should consider appropriating this additional carry-over into the 2024-2025 budget \$ 112,332

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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2024 AND 2023

	<u>Food Service Enterprise Fund</u>	<u>Community Education and Recreation Fund</u>	<u>Totals</u>	
			<u>2024</u>	<u>2023</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 339,848	\$ 101,817	\$ 441,665	\$ 523,293
Accounts Receivable:				
State	707		707	290
Federal	12,389		12,389	12,224
Other	34,455		34,455	36,724
Interfund Receivable	34,967		34,967	34,002
Inventories	5,065		5,065	83
Total Current Assets	<u>427,431</u>	<u>101,817</u>	<u>529,248</u>	<u>606,616</u>
Fixed Assets:				
Equipment	464,541		464,541	464,541
Accumulated Depreciation	(370,218)		(370,218)	(342,150)
Total Fixed Assets	<u>94,323</u>	<u></u>	<u>94,323</u>	<u>122,391</u>
Total Assets	<u>521,754</u>	<u>101,817</u>	<u>623,571</u>	<u>729,007</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	78,628		78,628	84,810
Interfund Payable		3,930	3,930	3,930
Unearned Revenue	4,711		4,711	4,726
Total Current Liabilities	<u>83,339</u>	<u>3,930</u>	<u>87,269</u>	<u>93,466</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	94,323		94,323	122,391
Unrestricted	344,092	97,887	441,979	513,150
Total Net Position	<u>\$ 438,415</u>	<u>\$ 97,887</u>	<u>\$ 536,302</u>	<u>\$ 635,541</u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Community Education and Recreation Fund	Totals	
			2024	2023
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 31,848	\$	\$ 31,848	\$ 93,923
Total Daily Sales - Reimbursable Programs				
Daily Sales Non-Reimbursable Programs	112,751		112,751	119,878
Fees for services		114,892	114,892	84,872
Total Operating Revenue	144,599	114,892	259,491	298,673
OPERATING EXPENSES:				
Salaries	298,336	86,437	384,773	64,920
Employee Benefits	38,201		38,201	
Supplies and Materials	36,036		36,036	
Purchased Services (Including Fixed Price Contract)				516,590
Depreciation	28,068		28,068	28,068
Cost of Sales - Reimbursable Programs	197,359		197,359	
Cost of Sales - Non-Reimbursable Programs	38,435		38,435	39,855
Miscellaneous Expenditures	27,802	13,058	40,860	14,606
Total Operating Expenses	664,237	99,495	763,732	664,039
Operating Income (Loss)	(519,638)	15,397	(504,241)	(365,366)
Non-Operating Revenues:				
State Sources:				
State School Breakfast Program	977		977	906
State School Lunch Program	9,528		9,528	8,825
Summer-EBT Administrative Cost	321		321	
Federal Sources:				
School Breakfast Program	77,191		77,191	69,978
National School Lunch Program	262,233		262,233	290,353
Supply Chain Assistance Funding	26,454		26,454	33,262
P-EBT Administrative Cost Reimbursement	653		653	
Summer-EBT Administrative Cost	322		322	
Food Distribution Program	18,995		18,995	41,229
Interest	6,479	1,849	8,328	2,304
Total Non-Operating Revenues	403,153	1,849	405,002	446,857
Net Income before Operating Transfers	(116,485)	17,246	(99,239)	81,491
Net Income	(116,485)	17,246	(99,239)	81,491
Net Position - July 1	554,900	80,641	635,541	554,081
Net Position - June 30	\$ 438,415	\$ 97,887	\$ 536,302	\$ 635,572

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Community Education and Recreation Fund	Totals	
			2024	2023
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 144,599	\$ 114,892	\$ 259,491	\$ 290,765
Payments to Employees and Employee Benefits	(336,537)	(86,437)	(422,974)	(65,957)
Payments to Suppliers	(291,094)	(13,058)	(304,152)	(586,684)
Net Cash Provided by Noncapital Financing Activities	(483,032)	15,397	(467,635)	(361,876)
Cash Flows from Noncapital Financing Activities:				
Cash Received from State and Federal Reimbursements	377,679		377,679	443,955
Miscellaneous				
Net Cash Provided by Noncapital Financing Activities	377,679		377,679	443,955
Cash Flows from Capital & Related Financing Activities				
Purchase of Capital Assets				
Net Cash Provided by Capital and Related Financing Activities				
Cash Flows From Investing Activities				
Interest and Dividends	6,479	1,849	8,328	2,304
Net Cash Provided by Investing Activities	6,479	1,849	8,328	2,304
Net Decrease in Cash and Cash Equivalents	(98,874)	17,246	(81,628)	84,383
Cash and Cash Equivalents, July 1	438,722	84,571	523,293	438,910
Cash and Cash Equivalents, June 30	\$ 339,848	\$ 101,817	\$ 441,665	\$ 523,293
Operating Income (Loss)	\$ (519,638)	\$ 15,397	\$ (504,241)	\$ (365,396)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	28,068		28,068	28,068
Food Distribution Program	18,995		18,995	41,229
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	1,688		1,688	(12,147)
(Increase)/Decrease in Interfund Receivable	(965)		(965)	
(Increase)/Decrease in Inventory	(4,982)		(4,982)	155
Increase/(Decrease) in Accounts Payable	(6,182)		(6,182)	
Increase/(Decrease) in Unearned Revenue	(16)		(16)	(53,785)
Net Cash Used by Operating Activities	\$ (483,032)	\$ 15,397	\$ (467,635)	\$ (361,876)

EXHIBIT G-4

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
INTERNAL SERVICE FUND
JOINT PUPIL TRANSPORTATION FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	<u>June 30, 2024</u>
ASSETS:	
Cash	\$ 144,906
Total Assets	<u>\$ 144,906</u>
 LIABILITIES AND NET POSITION:	
Liabilities:	
Interfund Payable	\$ 144,906
Total Liabilities	<u>144,906</u>
Net Position:	
Unreserved	<u> </u>
Total Net Position	<u> </u>
Total Liabilities and Net Position	<u>\$ 144,906</u>

EXHIBIT G-5

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
INTERNAL SERVICE FUND
JOINT PUPIL TRANSPORTATION FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2024

June 30, 2024

OPERATING REVENUES:

Transportation Fees	\$ 3,126,117
Total Operating Revenue	<u>3,126,117</u>

OPERATING EXPENSES:

Salaries	92,692
Employee Benefits - Pension	24,578
Transportation Costs	3,042,693
Supplies	20,492
Miscellaneous	95
Total Expenses	<u>3,180,550</u>
Increase in Net Position Before Transfers	(54,433)
Interest Income	5,171
Transfer from General Fund	4,580
Change in Net Position	<u>(44,682)</u>
Net Position - July 1	44,682
Net Position - June 30	<u><u>\$</u></u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
INTERNAL SERVICE FUND
JOINT PUPIL TRANSPORTATION FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>June 30, 2024</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 3,296,495
Payments to Employees	(92,692)
Payments for Employee Benefits	(123,321)
Payments to Suppliers	<u>(3,318,708)</u>
Net Cash Provided by (used for) Operating Activities	<u>(238,226)</u>
Cash Flows from Non-capital Financing Activities:	
Operating subsidies and transfers to other funds	<u> </u>
Net Cash Provided by Non-capital Financing Activities	<u> </u>
Cash Flows from Capital and Related Financing Activities	<u> </u>
Net Cash Provided by Capital and Related Financing Activities	<u> </u>
Cash Flows from Investing Activities	
Interest Earnings	<u>5,171</u>
Net Cash Provided by Investing Activities	<u>5,171</u>
Net Increase in Cash	(233,055)
Cash and Cash Equivalents, July 1	<u>377,961</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 144,906</u></u>
 Operating Income (Loss)	 \$ (54,433)
Adjustments to Reconcile Operating Income (Loss) to	
Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	170,378
(Increase) Decrease in Pension Outflows	21,454
Increase (Decrease) in Pension Liabilities and Inflows	(120,197)
Increase (Decrease) in Accounts Payable	<u>(255,428)</u>
Total Adjustments	<u>(183,793)</u>
Net Cash Used by Operating Activities	<u><u>\$ (238,226)</u></u>

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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER OPERATING LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Description	Date of Issue	Term	Amount of Issue	Annual Maturities			Interest Rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
				Year	Principal	Interest					
Copiers	9/1/20	5 Years	\$ 81,829	2025	\$ 17,522	\$ 502	4.00%	\$ 37,348	\$	\$ 16,837	\$ 20,511
				2026	2,989	15					
Copiers	6/1/22	5 Years	53,603	2025	10,704	1,103	4.00%	42,738		10,285	32,453
				2026	11,140	667					
				2027	10,609	213					
Totals								\$ 80,086	\$	\$ 27,122	\$ 52,964

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Description	Date of Issue	Term	Amount of Issue	Interest Rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
Wireless Clock System	4/4/24	5 Years	\$ 55,971	6.25%	\$	\$ 55,971	\$	\$ 55,971
Telecommunication System	10/31/23	5 Years	82,735	6.35%		82,735		82,735
Totals					\$	\$ 138,706	\$	\$ 138,706

STATISTICAL SECTION

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
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										
Net Investment in Capital Assets	\$ 12,112,937	\$ 12,345,098	\$ 12,165,797	\$ 13,754,371	\$ 13,775,766	\$ 13,822,487	\$ 13,731,461	\$ 13,626,136	\$ 13,430,978	\$ 15,275,771
Restricted	2,419,687	2,716,062	3,051,547	2,898,903	2,727,306	2,928,292	4,967,532	4,960,771	4,975,869	6,306,083
Unrestricted (Deficit)	(5,093,164)	(5,529,312)	(6,291,382)	(6,416,645)	(6,397,278)	(6,591,456)	(5,796,899)	(4,466,787)	(3,794,392)	(4,386,498)
Total Governmental Activities Net Position	\$ 9,439,460	\$ 9,531,848	\$ 8,925,962	\$ 10,236,629	\$ 10,105,794	\$ 10,159,324	\$ 12,902,094	\$ 14,120,120	\$ 14,612,454	\$ 17,195,356
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 88,963	\$ 80,765	\$ 68,753	\$ 62,022	\$ 52,209	\$ 176,914	\$ 160,212	\$ 150,459	\$ 122,391	\$ 94,323
Unrestricted	164,632	240,464	294,996	328,343	387,309	255,997	205,688	403,622	513,150	441,979
Total Business-Type Activities Net Position	\$ 253,595	\$ 321,229	\$ 363,749	\$ 390,365	\$ 439,518	\$ 432,911	\$ 365,901	\$ 554,081	\$ 635,541	\$ 536,302
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 12,201,873	\$ 12,425,863	\$ 12,234,550	\$ 13,816,393	\$ 13,827,975	\$ 13,999,401	\$ 13,891,673	\$ 13,776,595	\$ 13,553,369	\$ 15,370,094
Restricted	2,419,687	2,716,062	3,051,547	2,898,903	2,727,306	2,928,292	4,967,532	4,960,771	4,975,869	6,306,083
Unrestricted (Deficit)	(4,928,532)	(5,288,848)	(5,996,386)	(6,088,302)	(6,009,969)	(6,335,459)	(5,591,211)	(4,063,165)	(3,281,242)	(3,944,519)
Total District-Wide Net Position	\$ 9,693,028	\$ 9,853,077	\$ 9,289,711	\$ 10,626,994	\$ 10,545,313	\$ 10,592,235	\$ 13,267,994	\$ 14,674,201	\$ 15,247,996	\$ 17,731,658

Source: ACFR Schedule A-1

UPPER 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	\$ 4,013,464	4,222,225	5,577,988	5,638,137	5,872,154	5,835,616	6,504,223	7,090,397	7,005,860	7,088,785
Special Education	2,229,485	2,354,416	1,113,521	1,122,281	1,143,343	1,199,749	1,234,691	1,230,109	1,351,387	1,349,640
Other Special Education	178,089	174,065	179,871	190,127	241,941	217,320	240,855	300,253	235,159	284,121
Other Instruction	72,776									
Support Services										
Tuition	134,308	203,949	210,493	390,000	271,243	361,285	342,285	589,633	949,814	502,406
Student and Instruction Related Services	1,327,589	1,614,574	1,985,790	1,912,170	1,925,387	2,441,703	2,774,351	2,426,833	3,917,059	3,127,049
General and Business Administrative Services	642,862	679,767	415,129	382,239	409,857	420,110	435,499	433,100	517,581	462,590
School Administrative Services	521,910	507,446	441,067	441,399	442,119	442,713	456,336	501,327	489,268	408,473
Central Services			256,366	266,925	280,194	278,544	278,983	260,895	286,611	388,218
Administrative Information Technology			94,129	85,458	84,740	108,123	87,738	136,121	122,711	111,450
Plant Operations and Maintenance	1,315,419	1,474,661	1,537,896	1,469,289	1,529,416	1,368,687	1,388,703	1,570,227	2,030,255	1,809,676
Pupil Transportation	2,960,963	2,869,563	2,715,677	2,742,728	2,758,035	2,586,391	2,687,328	3,068,619	3,809,778	1,342,052
Unallocated Benefits	5,246,053	6,072,737	7,511,265	8,681,231	7,177,808	6,254,653	7,367,204	5,457,050	4,835,667	5,223,823
Transfer to Charter Schools	29,159	20,549	50,553	117,355	120,341	172,884	314,765	434,309	422,872	315,973
Interest on Long-Term Debt	222,970	206,898	190,906	175,113	159,433	143,834	128,432	113,306	104,618	109,133
Total Governmental Activities Expenses	18,895,047	20,400,850	22,280,651	23,614,452	22,416,012	21,831,614	24,241,394	23,612,177	26,078,640	22,523,389
Business-Type Activities										
Food Service	576,115	580,945	514,305	462,669	428,125	475,729	419,601	580,077	584,513	664,237
Community Education and Recreation	58,910	64,526	84,572	67,913	64,120	80,112	62,263	60,298	79,526	99,495
Total Business-Type Activities Expense	635,025	625,471	598,877	530,582	492,245	555,842	481,864	640,374	664,039	763,732
Total Government Expenses	\$ 19,530,072	21,026,321	22,879,528	24,145,034	22,908,256	22,387,455	24,723,258	24,252,552	26,742,679	23,287,121
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	2,720,783	2,910,865	6,112,130	7,253,747	5,726,083	5,019,336	8,229,266	6,142,400	6,278,402	
Charges for service	\$ 2,100,070	2,092,878	2,014,431	1,979,934	2,000,742	1,915,001	1,983,029	2,186,221	2,926,021	5,561,221
Total Governmental Activities Program Revenues	4,820,853	5,003,743	8,126,561	9,233,680	7,726,826	6,934,336	10,212,296	8,328,622	9,204,423	5,561,221
Business-Type Activities										
Operating grants and contributions	364,497	369,215	346,420	328,131	302,268	371,172	349,996	687,521	444,552	396,674
Charges for services	318,188	323,668	294,977	240,043	237,919	176,606	62,761	139,765	298,643	259,491
Total Business-Type Activities Program Revenues	682,685	692,883	641,397	568,173	540,187	547,778	412,758	827,286	743,195	656,165
Total Government Program Revenues	\$ 5,503,538	5,696,626	8,767,958	9,801,854	8,267,012	7,482,114	10,625,053	9,155,908	9,947,618	6,217,386
Net (Expense)/Revenue										
Governmental Activities	\$ (14,074,194)	(15,397,107)	(14,154,090)	(14,380,771)	(14,689,186)	(14,897,278)	(14,029,099)	(15,283,556)	(16,874,217)	(16,962,168)
Business-Type Activities	47,660	67,412	42,520	37,591	47,942	(8,064)	(69,107)	186,912	79,156	(107,567)
Total District-Wide Net Expense	\$ (14,026,534)	(15,329,695)	(14,111,570)	(14,343,180)	(14,641,244)	(14,905,341)	(14,098,205)	(15,096,644)	(16,795,061)	(17,069,735)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes	\$ 7,048,452	7,162,200	7,274,404	7,389,667	7,512,241	7,632,502	7,755,631	7,877,400	8,015,267	8,065,267
Federal and state aid not restricted	7,402,639	8,168,610	6,390,590	6,665,316	6,935,136	7,114,584	7,237,640	8,577,156	8,912,591	
Federal and state aid restricted							3,120		271,583	10,960,484
Miscellaneous Income	284,493	158,685	107,074	166,001	111,075	203,720	214,688	209,111	167,111	519,318
Total Governmental Activities	14,735,584	15,489,495	13,772,068	14,220,984	14,558,451	14,950,807	15,211,078	16,663,667	17,366,552	19,545,069
Business-Type Activities										
Miscellaneous Income	518	251		461	1,211	1,457	2,096	1,269	2,304	8,328
Total Business-Type Activities	518	251	-	461	1,211	1,457	2,096	1,269	2,304	8,328
Total District-Wide	\$ 14,736,102	15,489,746	13,772,068	14,221,445	14,559,662	14,952,264	15,213,174	16,664,935	17,368,855	19,553,397
Change in Net Position										
Governmental Activities	\$ 661,390	92,388	(382,022)	(159,787)	(130,735)	53,529	1,181,980	1,380,111	492,335	2,582,901
Business-Type Activities	47,178	67,663	42,520	38,053	49,153	(6,607)	(67,011)	188,181	81,460	(99,239)
Total District-Wide	\$ 708,568	160,051	(339,501)	(121,734)	(81,581)	46,922	1,114,969	1,568,291	573,795	2,483,662

Source: ACFR Schedule A-2

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
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	\$ 2,332,327	\$ 2,689,400	\$ 3,025,480	\$ 2,868,144	\$ 2,726,850	\$ 2,927,951	\$ 3,460,266	\$ 3,377,616	\$ 3,345,127	\$ 6,208,464
Assigned			6,125	63,165	298,600	240,914	461,566	168,323	1,283,742	233,769
Unassigned (Deficit)	(113,480)	(334,807)	(339,523)	(210,405)	(335,765)	(343,007)	(46,462)	726,178	(312,707)	(496,348)
Total General Fund	<u>\$ 2,218,847</u>	<u>\$ 2,354,593</u>	<u>\$ 2,692,083</u>	<u>\$ 2,720,903</u>	<u>\$ 2,689,686</u>	<u>\$ 2,825,858</u>	<u>\$ 3,875,370</u>	<u>\$ 4,272,116</u>	<u>\$ 4,316,162</u>	<u>\$ 5,945,885</u>
All Other Governmental Funds										
Restricted	\$ 87,360	\$ 26,662	\$ 26,066	\$ 30,659	\$ 456	\$ 341	\$ 1,507,266	\$ 1,583,156	\$ 1,630,741	\$ 1,677,881
Unassigned (Deficit)	(25,228)	(22,260)	(45,626)	(45,262)	(45,262)	(105,739)				(231,743)
Total All Other Governmental Funds	<u>\$ 62,132</u>	<u>\$ 4,402</u>	<u>\$ (19,560)</u>	<u>\$ (14,603)</u>	<u>\$ (44,806)</u>	<u>\$ (105,398)</u>	<u>\$ 1,507,266</u>	<u>\$ 1,583,156</u>	<u>\$ 1,630,741</u>	<u>\$ 1,446,138</u>
(Deficit)										

Source: ACFR Schedule B-1

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 7,048,452	\$ 7,162,200	\$ 7,274,404	\$ 7,389,667	\$ 7,512,241	\$ 7,632,502	\$ 7,755,631	\$ 7,877,400	\$ 8,015,267	\$ 8,065,267
Miscellaneous	246,528	158,469	112,927	166,501	111,075	204,102	135,509	133,220	360,364	324,257
Local Sources							132,450	140,699	186,289	199,642
State Sources	7,906,755	8,023,799	8,417,856	9,019,091	9,570,019	10,330,209	11,739,929	13,676,368	14,495,163	16,072,568
Federal Sources	780,158	1,155,012	1,322,721	1,241,605	1,112,212	785,209	980,896	1,311,713	2,515,943	2,359,818
Total Revenues	15,981,893	16,499,480	17,127,909	17,816,864	18,305,547	18,952,022	20,744,415	23,139,401	25,573,027	27,021,552
Expenditures										
Instruction										
Regular Instruction	3,706,714	3,911,579	5,256,622	5,354,576	5,564,052	5,496,662	6,157,224	6,748,251	6,693,285	6,716,904
Special Education Instruction	2,173,713	2,297,936	1,055,091	1,070,724	1,087,324	1,138,121	1,171,600	1,168,034	1,294,742	1,263,988
Other Special Instruction	178,089	174,065	179,871	190,127	241,941	217,320	240,855	300,253	235,159	284,121
Other Instruction	72,776									
Support Services										
Tuition	134,308	203,949	210,493	390,000	271,243	361,285	342,285	589,633	949,814	502,406
Student and Instruction Related Services	1,271,817	1,558,094	1,927,360	1,860,613	1,869,368	2,380,075	2,711,261	2,364,758	3,860,414	2,973,302
General Administrative Services	460,560	617,638	350,856	325,527	348,236	352,320	366,099	364,817	455,271	387,058
School Administrative Services	581,512	445,317	376,794	384,687	380,499	374,922	386,936	433,044	426,958	438,338
Central Services			256,366	266,925	280,194	287,544	278,983	260,895	286,611	499,668
Admin Info technology			94,129	85,458	84,740	108,123	87,738	136,121	112,711	
Plant Operations and Maintenance	1,298,688	1,457,718	1,520,367	1,453,822	1,512,610	1,350,198	1,369,776	1,551,604	2,013,262	1,771,958
Pupil Transportation	860,510	775,624	725,808	754,340	791,225	698,362	718,321	897,218	1,153,701	1,342,052
Unallocated Benefits	3,666,388	3,993,840	4,207,186	4,713,864	5,067,645	5,134,337	4,822,502	6,620,071	7,089,657	8,012,270
Transfer to Charter Schools	29,159	20,549	50,553	117,355	120,341	172,884	314,765	434,309	422,872	
Debt Service										
Principal	410,000	410,000	405,000	400,000	400,000	395,000	390,000	380,000		
Interest and Other Changes	125,048	108,976	197,522	181,646	165,966	150,286	134,802	119,514	104,618	
Capital Outlay	294,438	446,179		233,786	181,582	268,002	149,881	351,847	372,321	1,202,520
Total Expenditures	15,263,720	16,421,464	16,814,018	17,549,664	18,366,967	18,885,442	19,643,030	22,720,368	25,471,395	25,394,585
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	718,173	78,016	313,891	33,414	(61,421)	75,580	1,101,386	419,033	91,632	1,626,967
Other Financing Sources (Uses)										
Acquisition under leases								53,603		138,706
Transfer to Charter Schools										(315,973)
Transfer to JPT Fund										(4,580)
Total Other Financing Sources (Uses)								53,603		(181,847)
Net Change in Fund Balances	\$ 718,173	\$ 78,016	\$ 313,891	\$ 33,414	\$ (61,421)	\$ 75,580	\$ 1,101,386	\$ 472,636	\$ 91,632	\$ 1,445,120
Debt Service as a Percentage of										
Noncapital Expenditures	3.57%	3.25%	3.58%	3.31%	3.11%	2.93%	2.96%	2.23%	4.20%	0.0%

Source: ACFR Schedule B-2

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tuition	\$ 144,284	\$ 79,206	4,982	\$	\$ 2,521	\$	\$	\$ 9,681	\$ 240,839	\$ 36,362
Interest on investments	11,461	4,738	5,124	5,487	13,113	31,354	32,487	27,090	32,069	156,780
Rent	12,831	18,431	17,216	12,321	5,698	5,658	8,728	7,994	9,500	6,500
E-rate				33,426	66,321	77,214	15,359	15,634		
Lead Testing				1,719						
Refund of Prior Year's Expenditures	18,867	33,417	3,256							
Telephone/Energy Rebates	17,021	14,369	18,937							
Shared Services						52,206	45,000	13,581		
Prior Year Adjustments										136,127
Miscellaneous	41,188	8,271	57,523	108,418	23,080	37,289	33,935	59,241	77,957	2,911
Totals	<u>\$ 245,652</u>	<u>\$ 158,432</u>	<u>\$ 107,038</u>	<u>\$ 161,371</u>	<u>\$ 110,734</u>	<u>\$ 203,720</u>	<u>\$ 135,509</u>	<u>\$ 133,220</u>	<u>\$ 360,364</u>	<u>\$ 338,680</u>

Source: District Records

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
BY CONSTITUENT DISTRICT - TOWNSHIP OF UPPER DEERFIELD
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending June 30, 2024									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Land		\$168,626,800	\$168,215,700	\$167,823,600	\$168,721,200	\$167,549,600	\$167,105,300	\$169,022,600	\$170,583,200	\$170,846,900
Improvements		460,478,800	458,476,100	459,240,400	64,583,800	463,421,200	458,418,500	473,605,800	479,207,600	484,624,200
Partial Exemptions and Rebates		(332,500)	(332,500)	(332,500)	(399,100)	(399,100)	(366,600)	(366,600)	(366,600)	(366,600)
Total Assessed Value	\$ -	\$628,773,100	\$626,359,300	\$626,731,500	\$232,905,900	\$630,571,700	\$625,157,200	\$642,261,800	\$649,424,200	\$655,104,500
Public Utilities		1,555,637	1,600,057	1,601,977	1,628,233	1,659,703	1,649,217	1,535,786	1,360,904	1,309,527
Net Valuation taxable	\$ -	\$630,328,737	\$627,959,357	\$628,333,477	\$234,534,133	\$632,231,403	\$626,806,417	\$643,797,586	\$650,785,104	\$656,414,027
Estimated Actual County Equalized Value	\$640,884,881	\$615,961,109	\$596,305,503	\$603,322,584	\$631,075,780	\$613,874,319	\$638,518,306	\$707,059,834	\$814,608,728	\$854,224,149
Percentage of Net Valuation to Estimated Actual Equalized Value	0.00%	102.33%	105.31%	104.15%	37.16%	102.99%	98.17%	91.05%	79.89%	76.84%
Total Direct School Tax Rate	\$ 1.125	\$ 1.146	\$ 1.168	\$ 1.186	\$ 1.193	\$ 1.217	\$ 1.246	\$ 1.237	\$ 1.236	\$ 1.241

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
BY CONSTITUENT DISTRICT - TOWNSHIP OF UPPER DEERFIELD
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	UPPER DEERFIELD Township Board of Education			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax rate
	Basic Rate (a)	General Obligation Debt Service ^b	Total Direct School Tax Rate		Municipality Township	Cumberland County	
2024	\$ 1.241	\$ 0.000	\$ 1.241	\$ 0.67	0.189	\$ 1.246	\$ 3.346
2023	1.236	0.034	1.236	0.644	0.176	1.290	3.346
2022	1.204	0.063	1.237	0.643	0.176	1.271	3.327
2021	1.184	0.068	1.256	0.659	0.176	1.253	3.344
2020	1.149	0.071	1.217	0.622	0.166	1.216	3.221
2019	1.122	0.071	1.193	0.573	0.155	1.200	3.121
2018	1.111	0.075	1.186	0.545	0.150	1.144	3.025
2017	1.091	0.077	1.680	0.527	0.097	1.112	3.416
2016	1.065	0.081	1.146	0.489	0.095	1.105	2.835
2015	1.041	0.084	1.125	0.510	0.087	1.119	2.841

* 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS
BY CONSTITUENT DISTRICT - TOWNSHIP OF UPPER DEERFIELD
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2024		2016	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Walmart TRS LLC	\$ 13,000,000	1.98%	\$ 13,954,900	2.21%
Lassonde Pappas and Co Inc.	10,319,600	1.57%		
Summir BHC New Jersey LLC	8,847,300	1.35%		
Bridgeton Realty Assoc., LLC			3,616,400	0.57%
KMT Properties LLC	8,340,300	1.27%	9,335,700	1.48%
123 West 81st St Tenants Corp	7,829,700	1.19%		
Seabrook Brothers and Sons Inc.	7,314,600	1.11%	7,137,900	1.13%
Upper Deerfield Adult Living, LLC			4,600,000	0.73%
Patriot Exchangeright	7,053,400	1.07%		
Upper Deerfield Station LP	4,600,000	0.70%	6,629,700	1.05%
Cedar-Carl's Corner LLC	3,805,500	0.58%	10,755,600	1.71%
LXR NJ 3 LLC	3,352,600	0.51%		
Clement Papas Co., Inc.			6,864,000	1.09%
Founders Realty III			6,153,400	0.98%
Atlantic City Electric			3,203,300	0.51%
Total	\$ 74,463,000	11.34%	\$ 72,250,900	11.46%

Source: District ACFR & Municipal Tax Assessor

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended	Taxes Levied for	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
June 30,	the Fiscal Year			
2024	\$ 8,065,267	\$ 8,065,267	100.00%	\$
2023	8,015,267	8,015,267	100.00%	
2022	7,877,400	7,877,400	100.00%	
2021	7,755,631	7,755,631	100.00%	
2020	7,632,502	7,632,502	100.00%	
2019	7,512,241	7,512,241	100.00%	
2018	7,389,667	7,389,667	100.00%	
2017	7,274,404	7,274,404	100.00%	
2016	7,162,200	7,162,200	100.00%	
2015	7,048,452	7,048,452	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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
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 ^o	Leases Liability	Bond Anticipation Notes (BANs)	Capital Leases					
2024	\$	\$	138,706	\$	\$	138,706	0.04%	\$	18
2023			80,086			80,086	0.02%		10
2022			106,145			106,145	0.03%		161
2021		380,000				380,000	0.49%		222
2020		770,000				770,000	0.67%		276
2019		1,165,000				1,165,000	0.86%		326
2018		1,565,000				1,565,000	0.98%		374
2017		1,965,000				1,965,000	1.13%		418
2016		2,370,000				2,370,000	1.34%		485
2015		2,780,000				2,780,000	1.56%		546

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
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		
2024	\$		\$	
2023				
2022				
2021	380,000		380,000	0.31% 222
2020	770,000		770,000	0.40% 276
2019	1,165,000		1,165,000	0.47% 326
2018	1,565,000		1,565,000	0.54% 374
2017	1,965,000		1,965,000	0.61% 418
2016	2,370,000		2,370,000	0.86% 485
2015	2,780,000		2,780,000	0.98% 546

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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
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			
Upper Deerfield Township	\$ 685,435	100%	\$ 685,435
Regional High School			
Cumberland Regional High School	2,102,000	39.36%	827,254
County General Obligation Debt			
County of Cumberland - Township share	89,195,482	7.39%	6,588,519
Subtotal, Overlapping Debt			8,101,208
UPPER DEERFIELD Township School District Direct Debt			
Total Direct and Overlapping Debt			\$ 8,101,208

Source: UPPER DEERFIELD Township and Shiloh Chief Financial Officers, along with the Cumberland 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 Municipalities. 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis
2023	\$ 846,817,316
2022	799,529,192
2021	681,370,245
	<u>[A] \$ 2,327,716,753</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 775,905,584</u>
Debt Limit (3% of Average Equalization Value)	[B] \$ 23,277,168 ^a
Net Bonded School Debt	[C] -
Legal Debt Margin	<u>[B-C] \$ 23,277,168</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 18,676,468	\$ 18,706,703	\$ 18,523,032	\$ 18,189,682	\$ 18,264,870	\$ 18,440,302	\$ 18,785,222	\$ 19,349,732	\$ 21,183,557	\$ 23,277,168
Total Net Debt Applicable to Limit	2,780,000	2,370,000	1,965,000	1,565,000	1,165,000	770,000	380,000			
Legal Debt Margin	<u>\$ 5,736,999</u>	<u>\$ 5,684,170</u>	<u>\$ 5,730,642</u>	<u>\$ 6,047,432</u>	<u>\$ 6,285,622</u>	<u>\$ 6,766,324</u>	<u>\$ 6,939,251</u>	<u>\$ 4,399,354</u>	<u>\$ 9,789,557</u>	<u>\$ 23,277,168</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.89%	12.67%	10.61%	8.60%	6.38%	4.18%	2.02%	0.00%	0.00%	0.00%

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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
BY CONSTITUENT DISTRICT - TOWNSHIP OF UPPER DEERFIELD
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	*	7,814	\$ 358,356,420	\$ 45,860	6.65%
2023	*	7,799	361,253,675	46,323	6.10%
2022		7,783	364,174,353	46,791	5.60%
2021		7,770	369,533,430	47,559	6.90%
2020		7,187	326,994,126	45,498	9.10%
2019		7,277	300,081,649	41,237	4.40%
2018		7,380	297,332,820	40,289	5.20%
2017		7,431	289,013,883	38,893	5.50%
2016		7,489	279,811,507	37,363	5.80%
2015		7,586	275,015,258	36,253	6.20%

* 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

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN 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.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION -
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	76	76	76	76	76	76	76	76	76	79
Special Education	27	27	30	30	30	30	30	30	30	30
Other Special Education	1	1	1	1	1	1	1	1	1	1
Support Services:										
Tuition										
Student & Instruction Related Services	15	15	15	15	20	20	20	20	20	16
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	5	5	5	5	5	5	5	5	5	6
Other Administrative Services	0	0	0	0	0	0	0	0	0	
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	2
Plant Operations and Maintenance	12	12	12	12	12	12	12	12	12	13
Pupil Transportation	0	0	0	0	0	0	0	0	0	
Other Support Services	2	2	2	2	2	2	2	2	2	2
Total	144	144	147	147	152	152	152	152	152	154

Source: District Personnel Records

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff ^b	<u>Pupil/Teacher Ratio</u>		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Ratio Elementary	Middle School				
2024	968	\$ 24,192,065	\$ 19,426	12.8%	95.0	10:01	9:01	967	909	1.8%	94%
2023	950	25,004,456	17,226	4.3%	87	10:03	10:01	950	903	3%	95%
2022	920	21,869,007	16,509	-29.2%	87	10:03	10:01	920	874	13%	95%
2021	813	18,968,347	23,331	9.5%	42	10:03	10:01	813	780	-4%	96%
2020	848	18,063,154	21,301	925.3%	87	10:03	10:01	847	843	0%	100%
2019	848	17,619,420	2,078	-89.1%	87	10:03	10:01	848	844	-5%	100%
2018	891	16,968,018	19,044	4.6%	87	10:03	10:01	891	853	0%	96%
2017	890	16,211,496	18,213	6.8%	87	10:03	10:01	890	845	-2%	95%
2016	906	15,456,309	17,060	7.1%	87	10:03	10:01	906	859	-1%	95%
2015	906	14,434,234	15,932	-1%	88	10:03	10:01	914	868	1%	95%

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).

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Elementary</u>										
Seabrook Elementary School (1957)										
Square Feet	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666	70,666
Capacity (students)	437	437	437	437	437	437	437	437	437	437
Enrollment	452	452	407	384	383	383	326	400	431	431
Moore Elementary School (1923)										
Square Feet	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894	48,894
Capacity (students)	297	297	297	297	297	297	297	297	297	297
Enrollment	170	170	189	186	196	172	227	243	249	274
<u>Middle School</u>										
Woodruff Middle School (1975)										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (students)	259	259	259	259	259	259	259	259	259	259
Enrollment	284	284	292	307	279	284	260	277	270	263
<u>Other</u>										
Central Administration (1936)										
Square Feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Facility Building (2006)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Number of Schools at June 30, 2024										
Elementary = 2										
Middle = 1										
Other = 1										

Source: District records, ASSA

Note: Enrollment is based on the October 15 District Count

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.
any additions.

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
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>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>
Administration	\$ 180,550	\$ 152,329.60	\$ 110,097.46	\$ 94,584.92	\$ 122,241.17	\$ 140,068.04	\$ 84,776.09	\$ 134,360.98	\$ 167,418.00	\$ 61,894.00
Seabrook	99,742	275,831.56	51,472.51	61,983.72	26,019.24	35,696.38	50,050.57	67,873.16	75,553.00	22,541.00
Moore	51,456	48,886.19	37,645.65	38,699.88	42,797.14	68,695.82	46,215.90	53,389.83	72,753.00	21,033.00
Woodruff	153,739	155,587.04	42,242.07	81,231.11	58,750.25	42,007.54	49,331.26	39,348.19	37,699.00	26,625.00
Total School Facilities	<u>485,487</u>	<u>632,634.39</u>	<u>241,457.69</u>	<u>276,499.63</u>	<u>249,807.80</u>	<u>286,467.78</u>	<u>230,373.82</u>	<u>294,972.16</u>	<u>353,423.00</u>	<u>132,093.00</u>

UPPER DEERFIELD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property, Inland Marine and Automobile Physical Damages	175,000,000	500
Boiler and Machinery	125,000,000	1,000
Crime	50,000	500
General and Automobile Liability	20,000,000	
Workers' Compensation	Statutory	
Educator's Legal Liability	20,000,000	
Pollution Legal Liability	3,000,000	25,000-250,000
Cyber Liability	1,000,000	50,000-100,000
Crisis Protection and Disaster Management Services	1,000,000	10,000
Surety Bonds:		
School Business Administrator / Board Secretary	100,000	
Treasurer of School Monies	300,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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

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 Upper 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 Upper Deerfield Township School District's basic financial statements, and have issued our report thereon dated December 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Upper 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 Upper Deerfield Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Upper 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. We considered the deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses, labeled 2024-1 and 2024-2.

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. We considered the deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant weakness, labeled 2024-4.

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 certain deficiencies in internal control that we considered to be material weaknesses, described in the accompanying schedule of findings and questioned costs, labeled 2024-1 and 2024-2.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Upper 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, labeled 2024-1, 2 and 3

The Upper Deerfield Township School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School District'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* 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 30, 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
Upper Deerfield Township School District
County of Cumberland
Seabrook, New Jersey 08302

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 Upper 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 Upper 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 Upper 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 Upper Deerfield Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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 Upper 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 Upper 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 Upper 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 Upper 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 Upper 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 Upper 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 Upper 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 Upper Deerfield Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We considered the deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses, labeled 2024-1 and 2024-2.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The Upper Deerfield Township School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School District'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.

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 30, 2024

UPPER DEERFIELD TOWNSHIP 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		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		
					From	To							Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services															
General Fund															
Medical Assistance Program (SEMI)	93.778	2005NJMAP	N/A	\$ 26,291	7/1/23	6/30/24	\$	\$ 19,062	\$ (26,291)	\$	\$ (26,291)	\$	\$ (7,229)	\$	\$
								19,062	(26,291)		(26,291)		(7,229)		
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	Unknown	N/A	19,462	7/1/23	6/30/24		19,462	(18,995)		(18,995)			467	
Child Nutrition Cluster:															
School Breakfast Program	10.553	231NJ304N1099	N/A	69,978	7/1/22	6/30/23	(3,580)	3,580							
School Breakfast Program	10.553	241NJ304N1099	N/A	77,191	7/1/23	6/30/24		73,083	(77,191)		(77,191)		(4,108)		
National School Lunch Program	10.555	231NJ304N1099	N/A	290,353	7/1/22	6/30/23	(8,644)	8,644							
National School Lunch Program	10.555	241NJ304N1099	N/A	262,233	7/1/23	6/30/24		254,274	(262,233)		(262,233)		(7,959)		
Supply Chain Assistance Funding	10.555	241NJ344N8903	N/A	26,454	7/1/23	6/30/24		26,454	(26,454)		(26,454)				
Summer-EBT Administrative Cost	10.646	202424N180341	N/A	322	7/1/23	6/30/24			(322)		(322)		(322)		
P-EBT Administrative Cost Reimbursement	10.649	2022225900941	N/A	653	7/1/22	6/30/23		653	(653)		(653)				
Total U.S. Department of Agriculture							(12,224)	386,150	(385,848)		(385,848)		(12,389)	467	
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	IDEA5300-24	282,406	7/1/23	9/30/24		216,089	(282,406)		(282,406)		(66,317)		
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA5300-23	257,224	7/1/22	9/30/23	(41,156)	41,156							
I.D.E.A. Part B, Pre-school	84.173	H173A230114	IDEA5300-24	7,046	7/1/23	9/30/24		5,200	(7,045)		(7,045)		(1,845)		
I.D.E.A. Part B, Pre-school	84.173	H173A220114	IDEA5300-23	6,917	7/1/22	9/30/23	(6,917)	6,917							
E.S.E.A.:															
Title I	84.010	S010A230029	ESEA5300-24	303,610	7/1/23	9/30/24		156,501	(303,610)		(303,610)		(147,109)		
Title I	84.010	S010A220030	ESEA5300-23	258,666	7/1/22	9/30/23	(129,859)	129,859							
Title II A	84.367A	S367A230029	ESEA5300-24	37,184	7/1/23	9/30/24		17,920	(37,184)		(37,184)		(19,264)		
Title II A	84.367A	S367A220029	ESEA5300-23	33,517	7/1/22	9/30/23	(35,516)	35,516							
Title III	84.365A	S365A230030	ESEA5300-24	10,475	7/1/23	9/30/24		4,936	(10,362)		(10,362)		(5,426)		
Title III	84.365A	S365A220030	ESEA5300-23	11,363	7/1/22	9/30/23	(5,849)	5,849							
Title IV	84.424A	S424A230031	ESEA5300-24	19,529	7/1/23	9/30/24		2,500	(14,425)		(14,425)		(11,925)		
Title IV	84.424A	S424A220031	ESEA5300-23	25,258	7/1/22	9/30/23	(40,696)	40,696							
Education Stabilization Fund (ESF):															
CRRSA Consolidated:															
CRRSA-ESSER II (Emergency Relief)	84.425D	S425D230027	CRRSA 5300-23	1,114,284	3/13/20	9/30/23	(229,000)	229,000							
CR Learning Acceleration	84.425D	S425D230027	CRRSA 5300-23	71,509	3/13/20	9/30/23	(11,740)	11,740							
CR Mental Health	84.425D	S425D230027	CRRSA 5300-23	45,000	3/13/20	9/30/23	(40,000)	40,000							
ARP Consolidated:															
ARP ESSER	84.425U	S425U240027	ARP 5300-24	2,504,282	3/13/20	9/30/24	(1,118,654)	1,555,208	(910,531)		(910,531)		(473,979)		
Accelerated Learning	84.425U	S425U240027	ARP 5300-24	84,679	3/13/20	9/30/24		1,860	(38,029)		(38,029)		(36,169)		
Summer Learning	84.425U	S425U240027	ARP 5300-24	40,000	3/13/20	9/30/24		7,500	(7,500)		(7,500)				
Beyond the School Day	84.425U	S425U240027	ARP 5300-24	40,000	3/13/20	9/30/24		25,000	(25,000)		(25,000)				
NJTSS Mental Health Staffing	84.425U	S425U240027	ARP 5300-24	45,000	3/13/20	9/30/24		31,522	(45,000)		(45,000)		(13,478)		
ARP Homeless Children and Youth II (ARP HCY)	84.425W	S425W240031	ARP 5300-24	14,925	4/23/21	9/30/24		14,925	(14,925)		(14,925)				
US Dept of Treasury:															
Pass-through State Dept. of Education															
Coronavirus Relief Fund	21.019	Covid-19	SLT0228	75,698	7/1/20	6/30/21	3,431					(3,431)			
Total U.S. Department of Education							(1,655,956)	2,579,892	(1,696,017)		(1,696,017)	(3,431)	(775,512)		
Total Federal Financial Awards							\$ (1,668,180)	\$ 2,985,104	\$ (2,108,156)	\$	\$ (2,108,156)	\$ (3,431)	\$ (795,130)	\$ 467	\$

(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 UPPER DEERFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

										Balance at June 30, 2024			
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2023		Carry-over	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	MEMO	
					(Accounts Receivable)	Unearned Revenue						Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	23-495-034-5120-078	7,664,917	7/1/22	6/30/23	\$ (727,164)	\$	\$	727,164	\$	\$	\$	\$	\$
Equalization Aid	24-495-034-5120-078	8,777,231	7/1/23	6/30/24				7,924,389	(8,777,231)	(852,842)	*	(852,842)	(8,777,231)
Special Education Categorical Aid	23-495-034-5120-089	465,051	7/1/22	6/30/23	(44,117)			44,117					
Special Education Categorical Aid	24-495-034-5120-089	708,262	7/1/23	6/30/24				656,518	(708,262)	(51,744)	*	(51,744)	(708,262)
Transportation Aid	23-495-034-5120-014	380,486	7/1/22	6/30/23	(36,095)			36,095					
Transportation Aid	24-495-034-5120-014	380,486	7/1/23	6/30/24				338,151	(380,486)	(42,335)	*	(42,335)	(380,486)
Security Aid	23-495-034-5120-084	187,464	7/1/22	6/30/23	(17,783)			17,783					
Security Aid	24-495-034-5120-084	187,464	7/1/23	6/30/24				166,606	(187,464)	(20,858)	*	(20,858)	(187,464)
Extraordinary Aid	23-495-034-5120-044	253,208	7/1/22	6/30/23	(253,208)			253,208					
Extraordinary Aid	24-495-034-5120-044	119,513	7/1/23	6/30/24					(119,513)	(119,513)	*		(119,513)
Non Public Transportation	24-495-034-5120-014	17,745	7/1/23	6/30/24					(17,745)	(17,745)	*		(17,745)
Non Public Transportation	23-495-034-5120-014	9,360	7/1/22	6/30/23	(9,360)			9,360					
Reimbursed TPAF Social Security Contrib	23-495-034-5094-003	543,708	7/1/22	6/30/23	(55,238)			55,238					
Reimbursed TPAF Social Security Contrib	24-495-034-5094-003	546,538	7/1/23	6/30/24				519,625	(546,538)	(26,913)	*		(546,538)
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	2,698,082	7/1/23	6/30/24				2,698,082	(2,698,082)		*		(2,698,082)
On-Behalf TPAF Post Retirement Medical	24-495-034-5094-001	734,319	7/1/23	6/30/24				734,319	(734,319)		*		(734,319)
On-behalf TPAF Long-term Disability Contrib.	24-495-034-5094-004	909	7/1/23	6/30/24				909	(909)		*		(909)
Securing Our Children's Future Bond Act - School Security Grant	24-100-082-2000-A92	41,941	4/1/21	3/31/23				41,941	(41,941)		*		(41,941)
Total General Fund					(1,142,965)			14,223,505	(14,212,490)	(1,131,950)		(967,779)	(14,212,490)
Special Revenue Fund:													
Preschool Education Aid	24-495-034-5120-086	2,528,100	7/1/23	6/30/24			670,270	2,296,357	(2,415,768)	(231,743)	782,602	*	(231,743)
Preschool Education Aid	23-495-034-5120-086	1,870,788	7/1/22	6/30/23	(177,480)	670,270	(670,270)	177,480					
Climate Awareness	23E00365	6,660	4/1/23	6/30/23	(6,660)			6,660					
SDA Emergent Needs & Capital Maintenance	24-100-034-5120-086	22,497	7/1/23	6/30/24				22,497	(19,151)		3,346		(19,151)
Total Special Revenue Fund					(184,140)	670,270	-	2,502,994	(2,434,919)	(231,743)	785,948	(231,743)	(2,434,919)
State Department of Agriculture:													
Enterprise Fund:													
State School Breakfast Prog.	23-100-010-3350-023	906	7/1/22	6/30/23	(43)			43					
State School Breakfast Prog.	24-100-010-3350-023	977	7/1/23	6/30/24				906	(977)	(71)	*		(977)
State School Lunch Prog.	23-100-010-3350-023	8,825	7/1/22	6/30/23	(247)			247					
State School Lunch Prog.	24-100-010-3350-023	9,528	7/1/23	6/30/24				9,213	(9,528)	(315)	*		(9,528)
Summer-EBT Administrative Cost		321	7/1/23	6/30/24					(321)	(321)	*		(321)
Total Enterprise Fund					(290)			10,409	(10,826)	(707)			(10,826)
Total State Financial Assistance					\$ (1,327,395)	\$ 670,270	\$ -	\$ 16,736,908	\$ (16,658,235)	\$ (1,364,400)	\$ 785,948	\$ (1,199,522)	\$ (16,658,235)
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	2,698,082	7/1/23	6/30/24				\$ 2,698,082	\$ (2,698,082)				
On-Behalf TPAF Post Retirement Medical	24-495-034-5094-001	734,319	7/1/23	6/30/24				734,319	(734,319)				
On-behalf TPAF Long-term Disability Contrib.	24-495-034-5094-004	909	7/1/23	6/30/24				909	(909)				
Total State Financial Assistance - Major Program Determination								\$ 13,303,598	\$ (13,224,925)				

See accompanying notes to schedules of financial assistance

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

NOTE 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$142,620 in the General Fund and \$415,965 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

NOTE 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Budgetary Basis:			
Total Awards And Financial Assistance Expended (Exhibits K-3 & K-4)	<u>\$ 2,108,156</u>	<u>\$ 16,658,235</u>	<u>\$ 18,766,391</u>
GAAP Adjustments:			
State Aid Payments		(374,364)	(374,364)
Encumbrances	637,510	10,198	647,708
Preschool Inclusion Transfer		(210,675)	(210,675)
Total GAAP Adjustments	<u>637,510</u>	<u>(574,841)</u>	<u>62,669</u>
GAAP Basis (Exhibits B-2 & B-5)	<u><u>\$ 2,745,666</u></u>	<u><u>\$ 16,083,394</u></u>	<u><u>\$ 18,829,060</u></u>
Fund:			
General (Exhibit B-2)	\$ 26,291	\$ 14,069,869	\$ 14,096,160
Special Revenue (Exhibit B-2)	2,333,527	2,002,699	4,336,226
Food Service (Exhibit B-5)	385,848	10,826	396,674
	<u><u>\$ 2,745,666</u></u>	<u><u>\$ 16,083,394</u></u>	<u><u>\$ 18,829,060</u></u>

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6: ADJUSTMENTS

There was one adjustment reported on Schedule A, in the amount of \$(3,431), and no adjustment on Schedule B.

NOTE 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2024, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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
 none reported

2) Significant deficiencies identified?

X yes no
 none reported

Noncompliance material to basic
financial statements noted?

X yes no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified?

 yes X no
 none reported

2) Significant deficiencies identified?

 yes X reported

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

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200
section .516(a) Uniform Administrative Requirements,
Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)
 yes X no

Identification of major programs:

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

UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiencies identified that
are not considered to be material
weaknesses? yes X none
reported

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

Any audit findings disclosed that are required to
be reported in accordance with NJOMB
Circular Letter 15-08 as applicable?

X yes no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Categorical Aid
24-495-034-5120-084	Security Aid
24-495-034-5120-085	Adjustment Aid
24-495-034-5120-086	Preschool Education Aid

**UPPER 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:

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

Condition:

Numerous adjustments to the District's General Ledger were required to be recorded during the audit, resulting in the untimely processing of year-end financial reports. This includes the lack of incorporating Student Activity accounts in the Special Revenue Fund. Moreover, the Net Payroll, Payroll Agency, and Unemployment accounts were not included in the General Fund, and there was an omission of a General Ledger for the Food Service Fund.

Context:

The general ledger was not properly adjusted prior to the year-end financial close and omitted various necessary fund account information.

Effect:

It was necessary, as part of the audit, to provide the District Business office with numerous material audit adjustments.

Cause:

Sufficient effort did not appear to be expended with respect to ensuring the District General Ledger contained all relevant financial information and was adjusted to reflect accurate year end balances.

Recommendation:

Prior to the year-end close out of the accounting system, various adjustments should be identified and recorded in the General Ledger, in order to ensure accurate and timely financial records are made available for audit. In addition, the District should design and implement procedures to ensure the General Ledger includes all necessary financial information for each Fund maintained by the District.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

Section II - Financial Statement Findings

Finding: 2024-2 (AMR Finding 2024-3)

Criteria or specific requirement:

The Board Secretary, and Treasurer of School Moneys of a school district, must prepare and submit financial reports in accordance with N.J.S.A. 18A:17-9 and N.J.S.A. 18A:17-36, respectively.

Condition:

The Treasurer's reports, along with the related supporting bank reconciliations, were not properly prepared throughout the year.

Context:

The total cash balance reported on the June 30, 2024 Treasurer's Report was not in agreement with the combined June 30, 2024 bank reconciliations.

Effect:

As a result of the above condition, adjusting journal entries were identified and submitted to the Board Office, as of June 30, 2024.

Cause:

Sufficient effort did not appear to be expended with respect to ensuring the District Treasurer's Report reported all bank account information and supporting bank reconciliations.

Recommendation:

Internal Controls over the preparation and presentation of the Treasurer's reports should be reviewed and revised, in order to ensure the report includes bank reconciliations for all bank accounts maintained by the District.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

Section II - Financial Statement Findings

Finding No. 2024-3 (AMR Finding 2024-5)

Criteria or specific requirement

CFR Section 210.14 Resource Management (b) Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service, or such other amount may be approved by the State agency in accordance with CFR Section 210.19(a).

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$148,176.

Context

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources on June 30, 2023, were \$339,027 and its three months average expenditures were \$190,851, resulting in an overage of \$148,176.

Effect or Potential Effect

The School District is not in compliance with CFR section 210.14 and requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey Audit Program.

Cause

The School District did not monitor the finances of its Food Service Fund to ensure its Net Cash Resources at the end of the fiscal year did not exceed the Funds three months average expenditures.

Recommendation

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three-month average expenditures.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

Section II - Financial Statement Findings

Finding: 2024-4 (AMR Finding 2024-6)

Criteria or specific requirement:

The State Department of Education requires that school districts maintain a capital assets record that accounts for all assets whose historical value or estimated historical value is at least \$2,000.

Condition:

The District's Fixed Asset Record did not appear properly prepared and was not fully updated as of the audit date. As a result, reasonable estimates were calculated and applied, as part of the audit.

Context:

The June 30, 2024 fixed assets accounting report did not reflect current year additions.

Effect:

It was necessary, as part of the audit, to adjust the fixed asset amounts for inclusion in the financial statements.

Cause:

Inadvertent oversight

Recommendation:

Procedures to update the fixed asset records need to be reviewed and revised, in order to assure that all appropriate additions and deletions are reflected in the report supporting the financial statements.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

**UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs
(continued)**

STATE AWARDS

Finding: 2024-1 (AMR 2024-2)

Information on the state program:

24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Categorical Aid
24-495-034-5120-084	Security Aid
24-495-034-5120-085	Adjustment Aid

Criteria or specific requirement:

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

Condition:

Numerous adjustments to the District's General Ledger were required to be recorded during the audit, resulting in the untimely processing of year-end financial reports. This includes the lack of incorporating Student Activity accounts in the Special Revenue Fund, the Unemployment account in the General Fund, and the omission of a General Ledger for the Food Service Fund.

Questioned Costs: None

Context:

The general ledger was not properly adjusted prior to the year-end financial close and omitted various necessary fund account information.

Effect:

It was necessary, as part of the audit, to provide the District Business office with numerous material audit adjustments.

Cause:

Sufficient effort did not appear to be expended with respect to ensuring the District General Ledger contained all relevant financial information and was adjusted to reflect accurate year end balances.

Recommendation:

Prior to the year-end close out of the accounting system, various adjustments should be identified and recorded in the General Ledger, in order to ensure accurate and timely financial records are made available for audit. In addition, the District should design and implement procedures to ensure the General Ledger includes all necessary financial information for the Student Activity accounts, the Unemployment account, and Food Service Fund.

Management response: Management is aware of the procedures to be updated and followed.

**UPPER DEERFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs
(continued)**

STATE AWARDS

Finding: 2024-2 (AMR 2024-3)

Information on the state program:

24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Categorical Aid
24-495-034-5120-084	Security Aid
24-495-034-5120-085	Adjustment Aid

Criteria or specific requirement:

The Board Secretary, and Treasurer of School Moneys of a school district, must prepare and submit financial reports in accordance with N.J.S.A. 18A:17-9 and N.J.S.A. 18A:17-36, respectively.

Condition:

The Treasurer's reports, along with the related supporting bank reconciliations, were not properly prepared throughout the year.

Questioned Costs: None

Context:

The total cash balance reported on the June 30, 2024 Treasurer's Report was not in agreement with the combined June 30, 2024 bank reconciliations.

Effect:

As a result of the above condition, adjusting journal entries were identified and submitted to the Board Office, as of June 30, 2024.

Cause:

Sufficient effort did not appear to be expended with respect to ensuring the District Treasurer's Report reported all bank account information and supporting bank reconciliations.

Recommendation:

Internal Controls over the preparation and presentation of the Treasurer's reports should be reviewed and revised, in order to ensure the report includes bank reconciliations for all bank accounts maintained by the District.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**UPPER 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.

STATUS OF PRIOR - YEAR FINDINGS

Finding: 2023-1

Condition

Accounts receivable in the Food Service Fund was not successfully monitored.

Current Status

This condition has been resolved.

Finding: 2023-2

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$265,493.

Current Status

This condition has not been resolved (See Finding 2024-3).