WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

Report of Independent Auditor

CAMPUS COMMUNITY SCHOOL
[A Component Unit of the State of Delaware]
Dover, Delaware

Years Ended June 30, 2020 and 2019

CAMPUS COMMUNITY SCHOOL
[A Component Unit of the State of Delaware]

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WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

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Report of Independent Auditor

To Members of the School Board
Campus Community School
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Campus Community School [the "School"], Dover, Delaware [a component unit of the State of Delaware] as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Campus Community School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Campus Community School as of June 30, 2020 and 2019, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require a schedule of budgetary comparison information, a schedule of proportionate share of net pension and OPEB liabilities, and a schedule of pension and OPEB contributions, reflected on pages 27 to 31, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The School has omitted the management's discussion and analysis section that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Campus Community School's basic financial statements. The supplementary information, reflected on pages 32 and 33, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information reflected on pages 32 and 33 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020 on our consideration of Campus Community School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Campus Community School's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of management, the Finance Committee, the School Board, others within the School, Delaware Department of Education, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Secretary of Finance, Office of Auditor of Accounts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a public record, and its distribution is not limited.

Whisman Giordano & Associates, LLC

Newark, Delaware
September 29, 2020

Basic Financial Statements Section

CAMPUS COMMUNITY SCHOOL
STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019

	Governmental Activities	
	2020	2019
ASSETS		
Current assets:		
Cash and equivalents	$ 1,337,993	$ 1,159,288
Receivables, net of allowance:		
Students	3,253	10,103
Cash held by fiscal agent:		
Debt service for subsequent year	65,876	64,412
Due from other governments	53,657	30,604
Total current assets	1,460,779	1,264,407
Noncurrent assets:		
Cash held by fiscal agent:		
Debt service reserves	357,479	352,463
Replacement reserves	90,964	89,611
Capital assets, net of accumulated depreciation:		
Nondepreciable	150,000	158,000
Depreciable	3,976,731	4,135,781
Total noncurrent assets	4,575,174	4,735,855
TOTAL ASSETS	6,035,953	6,000,262
DEFERRED OUTFLOWS OF RESOURCES		
Deferred contributions and changes in portion related to pension activity	242,057	525,405
Deferred contributions related to other postemployment benefits	752,064	609,093
Total deferred outflows of resources	994,121	1,134,498
LIABILITIES		
Current liabilities:		
Accounts payable	5,430	286,609
Accrued salaries and related costs	403,080	418,846
Compensated absences liability, current portion	-	-
Revenue bond payable, current portion	100,000	95,000
Total current liabilities	508,510	800,455
Noncurrent liabilities:		
Compensated absences liability, net of current portion	78,369	67,473
Net pension liability	1,453,428	1,333,515
Net other postemployment benefits liability	7,241,397	8,262,682
Revenue bond payable, net of current portion	3,110,000	3,210,000
Total noncurrent liabilities	11,883,194	12,873,670
TOTAL LIABILITIES	12,391,704	13,674,125
DEFERRED INFLOWS OF RESOURCES		
Deferred investment earnings related to pension activity	164,229	148,525
Deferred postemployment benefits	1,678,794	1,277,224
Total deferred inflows of resources	1,843,023	1,425,749
NET POSITION (LIABILITY)		
Net investment in capital assets	916,731	988,781
Restricted for:		
Specific programs	480	480
Educational commitment	28,858	28,858
Debt service for subsequent year	65,876	64,412
Debt service for reserves	357,479	352,463
Replacement reserves	90,964	89,611
Unrestricted	878,686	397,729
Pension and postemployment commitment	(9,543,727)	(9,887,448)
TOTAL NET POSITION (LIABILITY)	$(7,204,653)	$ (7,965,114)

The accompanying notes are an integral part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

		Program Revenue			Net (Expense) Revenue &
		Charges for	Grants and Contributions		Changes in Net Position
Functions	Expenses	Services	Operating	Capital	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instructional services	$3,234,775	$ 3,868	$ 667,649	$ -	$(2,563,258)
Supporting services:					
Operations and maintenance of facilities	153,029	-	-	-	(153,029)
Transportation	252,794	-	403,014	-	150,220
Food services	142,461	184	110,518	-	(31,759)
Interest on long-term debt	240,575	-	-	-	(240,575)
Depreciation-unallocated	177,760	-	-	-	(177,760)
TOTAL GOVERMENTAL ACTIVITIES	$4,201,394	$ 4,052	$1,181,181	$ -	$ (3,016,161)

GENERAL REVENUES AND TRANSFERS		
Charges to school districts	607,899	
State funding not restricted to specific purposes	3,131,439	
Earnings on cash and equivalents	34,879	
Miscellaneous revenues	2,405	
Legal settlement and related costs	-	
Total general revenues and transfers		3,776,622
CHANGE IN NET POSITION		760,461
NET POSITION (LIABILITY)		
Beginning of year		(7,965,114)
End of year		$ (7,204,653)

The accompanying notes are an integral part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions	Expenses	Program Revenue: Charges for Services	Program Revenue: Grants and Contributions: Operating	Program Revenue: Grants and Contributions: Capital	Net (Expense) Revenue & Changes in Net Position: Governmental Activities	
GOVERNMENTAL ACTIVITIES						
Instructional services	$3,780,396	$ 33,103	$ 423,825	$ -	$(3,323,468)	
Supporting services:						
Operations and maintenance of facilities	170,108	-	-	-	(170,108)	
Transportation	214,946	-	347,168	-	132,222	
Food services	122,067	32,709	110,008	-	20,650	
Interest on long-term debt	245,750	-	-	-	(245,750)	
Depreciation-unallocated	171,912	-	-	-	(171,912)	
TOTAL GOVERMENTAL ACTIVITIES	$4,705,179	$ 65,812	$ 881,001	$ -		$(3,758,366)
GENERAL REVENUES AND TRANSFERS						
Charges to school districts					536,716	
State funding not restricted to specific purposes					3,004,729	
Earnings on cash and equivalents					35,860	
Miscellaneous revenues					5,510	
Legal settlement and related costs					(633,428)	
Total general revenues and transfers						2,949,387
CHANGE IN NET POSITION (LIABILITY)						(808,979)
NET POSITION (LIABILITY)						
Beginning of year						(7,156,135)
End of year						$(7,965,114)

The accompanying notes are an integral part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
BALANCE SHEETS-GOVERNMENTAL FUNDS
As of June 30, 2020 and 2019

	Governmental Funds					
	2020			2019		
	General Fund	Debt Service Fund	Totals	General Fund	Debt Service Fund	Totals
ASSETS						
Cash and equivalents	$ 1,337,993	$ -	$ 1,337,993	$ 1,159,288	$ -	$ 1,159,288
Receivables, net of allowance:						
Students	3,253	-	3,253	10,103	-	10,103
Cash held by fiscal agent:						
Debt service for subsequent year	-	65,876	65,876	-	64,412	64,412
Debt service reserves	-	357,479	357,479	-	352,463	352,463
Replacement reserves	-	90,964	90,964	-	89,611	89,611
Due from other governments	53,657	-	53,657	30,604	-	30,604
TOTAL ASSETS	$ 1,394,903	$ 514,319	$ 1,909,222	$ 1,199,995	$ 506,486	$ 1,706,481
LIABILITES						
Accounts payable	$ 5,430	$ -	$ 5,430	$ 286,609	$ -	$ 286,609
Accrued salaries and related costs	403,080	-	403,080	418,846	-	418,846
Total liabilities	408,510	-	408,510	705,455	-	705,455
FUND BALANCES						
Restricted for:						
Specific programs	480	-	480	480	-	480
Educational commitment	28,858	-	28,858	28,858	-	28,858
Debt service	-	423,355	423,355	-	416,875	416,875
Replacement reserves	-	90,964	90,964	-	89,611	89,611
Unassigned	957,055	-	957,055	465,202	-	465,202
Total fund balances	986,393	514,319	1,500,712	494,540	506,486	1,001,026
TOTAL LIABILTIES AND FUND BALANCES	$ 1,394,903	$ 514,319	$ 1,909,222	$ 1,199,995	$ 506,486	$ 1,706,481

The accompanying notes are an integral part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
RECONCILIATION OF THE BALANCE SHEETS OF GOVERNMENTAL FUNDS
TO THE STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019

	Governmental Funds	
	2020	2019
Amounts reported for governmental activities in the statements of net position are different because:		
Fund balances-Total governmental funds	$ 1,500,712	$ 1,001,026
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements. At June 30, 2020 and 2019, the total cost of capital assets is $7,126,717 and $7,116,007 and the related accumulated depreciation is $2,999,986 and $2,822,226, respectively.	4,126,731	4,293,781
Compensated absences are not due and payable for the period reported, and, are therefore not reported in the fund financial statements.	(78,369)	(67,473)
Bond payable is not due and payable in the period reported; therefore, the bond payable is not reported in the fund financial statements.	(3,210,000)	(3,305,000)
Some liabilities, including net pension and net OPEB obligations, are not due and payable in the periods reported and, are therefore not reported in the fund financial statements:		
Net pension liability	(1,453,428)	(1,333,515)
Net other postemployment benefits [OPEB] liability	(7,241,397)	(8,262,682)
Deferred outflows and inflows or resources related to pension and OPEB activities are applicable to future periods and, are therefore not reported in the fund financial statements:		
Deferred outflows of resources related to pension activity of $242,057 and $525,405 consist of $12,507 and $296,240 of deferred outflows of resources pension expense and $229,550 and $229,165 of deferred outflows of the 2020 and 2019 employer contributions related to the pension, respectively.	242,057	525,405
Deferred inflows of resources related to pension activity.	(164,229)	(148,525)
Deferred outflows of resources related to OPEB activity consisting of 2020 and 2019 employer OPEB contributions, respectively.	752,064	609,093
Deferred inflows of resources related to OPEB activity	(1,678,794)	(1,277,224)
Net position (liability)-Governmental activities	$ (7,204,653)	$ (7,965,114)

The accompanying notes are an integral
part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS
Years Ended June 30, 2020 and 2019

	Governmental Funds					
	2020			2019		
	General Fund	Debt Service Fund	Totals	General Fund	Debt Service Fund	Totals
REVENUES						
Charges to school districts	$ 607,899	$ -	$ 607,899	$ 536,716	$ -	$ 536,716
State funding	3,752,379	-	3,752,379	3,526,944	-	3,526,944
Federal funding	559,727	-	559,727	356,920	-	356,920
Earnings on cash and equivalents	26,969	7,910	34,879	23,314	12,546	35,860
Food services fees	184	-	184	32,709	-	32,709
Program services fees	3,868	-	3,868	33,103	-	33,103
Contributions	514	-	514	1,866	-	1,866
Miscellaneous revenues	2,405	-	2,405	5,510	-	5,510
Total revenues	4,953,945	7,910	4,961,855	4,517,082	12,546	4,529,628
EXPENDITURES						
Current:						
Instructional services	3,526,950	-	3,526,950	3,657,510	-	3,657,510
Supporting services:						
Operation and maintenance of facilities	153,029	-	153,029	170,108	-	170,108
Transportation	252,794	-	252,794	214,946	-	214,946
Food services	142,461	-	142,461	122,067	-	122,067
Capital outlay	51,360	-	51,360	44,663	-	44,663
Debt service:						
Principal	-	95,000	95,000	-	90,000	90,000
Interest	-	240,575	240,575	-	245,750	245,750
Total expenditures	4,126,594	335,575	4,462,169	4,209,294	335,750	4,545,044
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	827,351	(327,665)	499,686	307,788	(323,204)	(15,416)
OTHER FINANCING SOURCES (USES)						
Operating transfers	(335,498)	335,498	-	(335,721)	335,721	-
Replacement reserves transfers	-	-	-	52,802	(52,802)	-
Legal settlement and related costs	-	-	-	(633,428)	-	(633,428)
Total other financing source (uses)	(335,498)	335,498	-	(916,347)	282,919	(633,428)
NET CHANGE IN FUND BALANCES	491,853	7,833	499,686	(608,559)	(40,285)	(648,844)
FUND BALANCES						
Beginning of year	494,540	506,486	1,001,026	1,103,099	546,771	1,649,870
End of year	$ 986,393	$ 514,319	$ 1,500,712	$ 494,540	$ 506,486	$ 1,001,026

The accompanying notes are an integral part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
Years Ended June 30, 2020 and 2019

	Governmental Funds	
	2020	2019
Amounts reported for governmental activities in the statements of activities are different because:		
Net change in fund balances-Total governmental funds	$ 499,686	$ (648,844)
In the financial statements of the governmental funds, capital outlay is reported as an expenditure. However, in the government-wide statement of activities, assets with an initial, individual cost of $5,000 [land improvement $10,000] or more are capitalized and the cost is allocated over the estimated useful lives of the capital assets and reported as depreciation expense. The following table reflects the amount by which depreciation expense either exceeds or is less than capital outlay capitalized as capital assets for the period presented.		
Description: 2020 / 2019		
Capital assets: $ 10,710 / $ 37,350		
Depreciation expense: (177,760) / (171,912)	(167,050)	(134,562)
In the government-wide statement of activities, certain operating expenses such as compensated absences [vacation] are measured by the amounts earned during the period. In the governmental funds, however, expenditures for these items are measured by the amount of the financial resources used [essentially, amounts actually paid]. The compensated absences liability (increased) or decreased for the period presented.	(10,896)	22,431
Governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, the governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due; and in the statement of activities, interest is recognized as an expense as it accrues, regardless of when due.	95,000	90,000
Governmental funds report pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of contributions is reported as an expense.		
Description: 2020 / 2019		
School contributions: $ 469,394 / $ 457,528		
Cost of benefits earned net of contributions (expense): (125,673) / (595,532)	343,721	(138,004)
Change in net position-Governmental activities	$ 760,461	$ (808,979)

The accompanying notes are an integral part of the basic financial statements

CAMPUS COMMUNITY SCHOOL
STATEMENTS OF FIDUCIARY NET POSITION-AGENCY FUND
As of June 30, 2020 and 2019

	Student Activities Fund	
	2020	2019
ASSETS		
Cash and equivalents	$ 27,556	$ 25,715
LIABILITIES		
Due to student and other groups	$ 27,556	$ 25,715

The accompanying notes are an integral part of the basic financial statements

NOTE 1 - NATURE OF THE GOVERNMENT

Campus Community School, located within the City limits of Dover, Delaware, is organized under Title 14, Chapter 5 of the State of Delaware Code. The Charter School Law grants authority for independent public schools to be created for the purpose of increasing choices for parents of public-school students and increasing academic performance. A charter school operates as an independent public school governed by a Board of Directors. In Delaware, charter schools have the same basic standing as a school district with some exceptions – most notably, they cannot levy taxes. To encourage innovation, charter schools operate free from many State laws and regulations. Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. State funds are not provided for charter school facilities. Charter schools may charge for selected additional services consistent with those permitted by the school districts. Because charter schools receive local, state, and federal funding, they may not charge tuition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Campus Community School [the School] have been prepared in conformity with U.S. generally accepted accounting principles as applied to local governmental units. The GASB [Governmental Accounting Standards Board] is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are as follows:

<u>Reporting Entity</u>

The School is the primary government and is considered a component unit of the State of Delaware. A component unit, although a legally separate entity, is, in substance, part of the operations of the State of Delaware. The School has no component units for which it is considered responsible or financially accountable.

<u>Government-Wide and Fund Financial Statements</u>

The government-wide financial statements [statement of net position and statement of activities] report financial information on all the nonfiduciary activities of the School. For the most part, the effects of interfund activity have been removed from the financial statements.

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 charges to students or other third parties who purchase or directly benefit from the goods and services provided, and grants and contributions that are restricted to meeting the operating or capital requirements of a function.

Separate financial statements are provided for governmental funds and fiduciary fund, even though the fiduciary fund is excluded from the government-wide financial statements. Major governmental funds are reported as separate columns in fund financial statements.

<u>Measurement Focus, Accounting Basis, and Financial Statement Presentation</u>

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the financial statements of the fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Charges to school districts are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The **governmental fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the School generally considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, and postemployment healthcare benefits, are recorded only when payment is due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Measurement Focus, Accounting Basis, and Financial Statement Presentation [continued]

Charges to school districts, grants, contributions, and interest earned associated with the fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the fiscal year. Generally, all other revenue items are considered measurable and available only when the School receives cash.

The School reports the following major governmental funds:

- The ***general fund*** is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

- The ***debt service fund*** is maintained to accumulate resources for the payment of interest and principal on long-term general obligation debt and the accumulation of replacement reserves for building maintenance.

Additionally, the School reports the following fund type:

- The ***student activities agency fund*** [a fiduciary fund] accounts for assets held on behalf of student groups. Since the agency fund is custodial in nature, the fund does not present results of operations.

Amounts reported as program revenues include 1) charges to students for special fees, materials, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Cash and Equivalents

The School considers cash and equivalents as cash held on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash Held by Fiscal Agent

Cash held by fiscal agent represents funds set aside by the School to honor the trust indenture and bond agreement.

Interfund Balances

Activities between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either "interfund balances" [current portion] or "interfund advances" [noncurrent]. The School has no such activities for the year presented.

Advances between the funds reported in the fund financial statements, when present, are offset by assigned fund balances in the governmental funds to indicate that the advances are not available for appropriation and are not expendable available financial resources.

Prepayments and Other Assets

Payments made to vendors for services [e.g., insurance, rents, etc.] that will benefit periods beyond the current period are recorded as prepayments and other assets using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the period in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as non-spendable, as the amount is not available for appropriation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Capital Assets

Capital assets, which include a building and improvements, and furniture and equipment, are reported in the government-wide financial statements. The School defines a capital asset as an asset with an initial, individual cost of $5,000 [land improvement $10,000] or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value as of the date of donation. The cost of normal maintenance and repairs that do not add to the value or materially extend the life of an asset is not capitalized. Major outlays for capital assets are capitalized as projects are constructed; however, interest cost incurred during construction is not capitalized.

Building and improvements, and furniture and equipment are depreciated using the straight-line method over their estimated useful lives ranging between 5 to 40 years.

Compensated Absences Policy

Vacation pay, plus related payroll taxes, is accrued when incurred in the government-wide financial statements. However, in the governmental funds, a liability is reported when the amount has matured, for example, an employee's resignation or retirement.

Vacation-Twelve-month employees can accumulate up to 42 days of vacation. Days in excess of 42 days are dropped as of July 1 of each year. Employees are paid for unused vacation meeting the criteria upon termination, retirement, etc. at the current rate of pay.

Sick Leave-Sick leave is earned as follows: 10 days for ten-month employees, 11 days for eleven-month employees, and 12 days for twelve-month employees. Unused sick days shall be accumulated to the employee's credit without limit. The compensation for accumulated sick days is paid when an employee [a] qualifies and applies for State pension is paid at a rate of 50% of the per diem rate of pay not to exceed 90 days or [b] at death, payment is made to the employee's estate at a rate of one day's pay for each day of unused sick leave not to exceed 90 days.

Long-term Obligations

In the government-wide financial statements, long-term debt is reported as a liability. When present, the bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest rate method.

In the fund financial statements, the governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources, and premiums received or discounts paid on the debt issuance are reported as other financing sources and uses. Issuance costs, whether withheld or not from the actual debt proceeds received, are reported as debt service expenditures, except for refunding paid from the issuance proceeds which are reported as other financing sources.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources [expense/expenditure] until that period. The School has two items that qualify for reporting in this category. The first item is deferred contributions and changes in proportion related to the School's pension activity, and the other item refers to its OPEB activity. The amounts are reported in the statement of net position and deferred and amortized over periods of five to six years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources [revenue] until that time. The School has two items that qualify for reporting in this category: the first item is deferred investment earnings related to pension activity and the other item relates to OPEB activity. These items are reported only in the statement of net position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Encumbrance Accounting

Encumbrance accounting is employed by the governmental funds of the School. Encumbrances [e.g., purchase orders and contracts] outstanding at the year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are re-appropriated and honored during the subsequent year. At June 30, 2020 and 2019, the School has no encumbrances outstanding.

Net Position and Fund Equity

The net position, in the government-wide financial statements, is reported in three categories: net position invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The net position invested in capital assets represents the capital assets less accumulated depreciation less outstanding principal of the related debt. The net position invested in capital assets does not include any unspent proceeds of capital debt. The restricted net position represents net assets restricted by parties outside of the School [such as creditors, grantors, contributors, laws, and regulations of other governments] and includes unspent awards not considered refundable advances. All other net position is considered unrestricted.

The School follows the requirements of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for its governmental funds. Under the GASB Statement, fund balances are required to be reported according to the following classifications:

- **Non-spendable fund balance-**Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid amounts, inventories, assets held for sale, and long-term receivables.

- **Restricted fund balance-**Constraints placed on the use of these amounts are either externally imposed by creditors [such as debt covenants], grantors, contributors, or other governments; or imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance-**Amounts that can only be used for specific purposes because of a formal action [resolution] by the School's highest level of decision-making authority: The School Board.

- **Assigned fund balance-**Amounts that are constrained by the School's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the School Board, or by an official to whom that authority has been given. With the exception of the general fund, this is the residual fund balance classification for all the governmental funds with positive balances.

- **Unassigned fund balance-**This is the residual classification of the general fund. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the policy of the School to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

Preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses or expenditures during the reporting period. Accordingly, the actual results may differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Accounting System

In accordance with the State of Delaware Charter Law, the School is required to maintain its accounting system with the Delaware Division of Accounting and as such the School uses the State codes and code structure identified in the State's *Budget and Accounting Policy Manual*.

Income Tax Status

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Service [IRS] Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the School qualifies for the charitable contribution deduction under IRS Section 170(b)(1)(A) and as such has been classified as an organization that is not a private foundation.

The Financial Accounting Standards Board on statements pertaining to the *Accounting for Uncertainty in Income Taxes* recognized in the financial statements prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return. The federal returns of the School for the prior three fiscal years are subject to examination by the IRS, generally for three years after they are filed. The tax positions taken by management for these years are based on clear and unambiguous tax law; and management has a high level of confidence in the technical merits of the positions taken. The School has no uncertain tax positions that qualify for recognition in the financial statements.

NOTE 3 – CASH AND EQUIVALENTS

The School's deposits [cash and equivalents] consist of the following:

Deposits Held by the State of Delaware

At June 30, 2020 and 2019, the School has cash and equivalents of $1,330,065 and $1,148,216, respectively. These deposits are part of the State investment pool that is controlled and administered by the State Treasurer's Office in Dover, Delaware, and all investment decisions are made by the same State office. The School's deposits are considered highly liquid and available for immediate use and, thus, are reflected as cash equivalents in the financial statements. Deposits held by the State's investment pool, an internal investment pool, are specifically identified for the School; however, the credit risk cannot be categorized for these deposits. Credit risk for such deposits depends on the financial stability of the State of Delaware. The State reports that its investment securities are stated at quoted market prices, except that investment securities with remaining maturity at the time of purchase [one year or less] are stated at cost or amortized cost.

Deposits Held by Financial Institutions

At June 30, 2020 and 2019, the reported amount of deposits maintained by the School outside of the State Treasurer's Office is $35,484 [book value] and $36,787 [book value], respectively. The bank deposits of $35,734 and $37,317 at June 30, 2020 and 2019, held by the one financial institution are insured by the Federal Deposit Insurance Corporation [FDIC]. Deposits in excess (or non-coverage) of FDIC insurance are exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to the School.

Deposits Held by Fiscal Agent

According to the trust indenture and bond agreement with BNY Mellon Bank, the School sets aside money for payments required by the Bond Issue, Series 2011. As of June 30, 2020 and 2019, the balance of the fund and the bank balance is $514,319 and $506,486, respectively, all of which was restricted for debt service, debt service reserves, and replacement reserves. The financial instruments which potentially subject the School to concentrations of credit risk are principally cash and equivalents. These financial instruments consist of investments held by financial institutions in FDIC insured Money Market accounts or U.S. Treasury instruments backed by the U.S. Government.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments represent receivables for revenues earned by the school. At June 30, the intergovernmental receivables are:

Description	2020	2019
Passed through the State of Delaware:		
Local school districts	$ -	$ -
Federal government-Department of Agriculture	-	-
Federal government-Department of Education	53,657	30,604
Total intergovernmental receivables	53,657	30,604
Less: Allowance for uncollectible amounts	-	-
Total amount due from other governments	$ 53,657	$ 30,604

NOTE 5 – CAPITAL ASSETS

The following tables summarize the annual changes to the capital assets:

	As of and Year Ended June 30, 2020			
Description	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not depreciated:				
Land	$ 150,000	$ -	$ -	$ 150,000
Construction in progress	8,000	-	8,000	-
Total capital assets, not depreciated	158,000	-	8,000	150,000
Capital assets, being depreciated:				
Building and improvements	6,872,929	18,710	-	6,891,639
Furniture and Equipment	85,078	-	-	85,078
Totals	6,958,007	18,710	-	6,976,717
Less accumulated depreciation:				
Building and improvements	2,766,009	171,890	-	2,937,899
Furniture and Equipment	56,217	5,870	-	62,087
Totals	2,822,226	177,760	-	2,999,986
Total capital assets, being depreciated	$4,135,781	$ (159,050)	$ -	$3,976,731

	As of and Year Ended June 30, 2019			
Description	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not depreciated:				
Land	$ 150,000	$ -	$ -	$ 150,000
Construction in progress	-	8,000	-	8,000
Total capital assets, not depreciated	150,000	8,000	-	158,000
Capital assets, being depreciated:				
Building and improvements	6,872,929	-	-	6,872,929
Furniture and Equipment	55,728	29,350	-	85,078
Totals	6,928,657	29,350	-	6,958,007
Less accumulated depreciation:				
Building and improvements	2,594,586	171,423	-	2,766,009
Furniture and Equipment	55,728	489	-	56,217
Totals	2,650,314	171,912	-	2,822,226
Total capital assets, being depreciated	$4,278,343	$ (142,562)	$ -	$4,135,781

The 2019 additions to assets were miscategorized as building & improvements.

NOTE 6 - LONG-TERM DEBT OBLIGATIONS

The following table summarizes the annual changes to long-term debt obligations:

	As of and Year Ended June 30, 2020				
	Long-Term Obligations				Due
Description	Beginning Balances	Additions	Deletions	Ending Balances	Within One Year
General obligation:					
Revenue bonds-Series 2011	$3,305,000	$ -	$ 95,000	$3,210,000	$ 100,000
Other long-term debt:					
Compensated absences	67,473	10,896	-	78,369	-
Total governmental activity	$3,372,473	$ 10,896	$ 95,000	$3,288,369	$ 100,000

The compensated absences liability for governmental activities is generally liquidated with general fund resources.

Revenue Bonds, Series 2011

On May 1, 2011, Kent County, Delaware issued Variable Rate Demand/Fixed Rate Refunding Revenue Bonds, Series 2011 in the amount of $3,930,000. The School used the proceeds of the revenue bonds to [1] pay off the bonds, Series 2002; [2] renovate existing buildings located at 310-334 and 346-350 Pear Street, Dover, Delaware, into classrooms, other academic areas, a gymnasium, a lunchroom and other accessory school uses; and [3] pay for costs related to the issuance of the revenue bonds. The revenue bonds were issued pursuant to a Trust Indenture dated May 1, 2011, between Kent County and BNY Mellon, as trustee. Kent County loaned the proceeds of the revenue bonds to Campus Community School.

The revenue bonds are to be repaid over 27 years with final payment due and redemption of the bonds through 2037. The interest rate is 5.75 percent starting with fiscal year 2012, and 7.375 percent starting with fiscal year 2022. The revenue bonds are secured with the land, building and improvements located at Pear Street, Dover, Delaware.

Maturities of the revenue bond payable, including interest, are as follows:

Years Ending June 30	Principal	Interest	Total
2021	$ 100,000	$ 235,113	$ 335,113
2022	110,000	229,363	339,363
2023	115,000	221,250	336,250
2024	125,000	212,769	337,769
2025	135,000	203,550	338,550
2026-2030	835,000	853,288	1,688,288
2031-2035	1,185,000	497,444	1,682,444
2036-2037	605,000	67,850	672,850
Total bonds	3,210,000	2,520,627	5,730,627
Less: Current portion	100,000	235,113	335,113
Long-term portion	$3,110,000	$2,285,514	$5,395,514

NOTE 7 - PENSION PLAN

The School's pension plan is part of the State Employees' Pension Plan [the Plan] which is a cost-sharing multiple-employer defined benefit pension plan established in the Delaware Code. The General Assembly of the State of Delaware is responsible for setting benefits and contributions and amending the Plan's provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees [the Board]. The management of the Plan is the responsibility of the Board, which is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. The daily operation is the responsibility of the Delaware Office of Pensions.

Although most of the assets of the Plan are co-mingled with other plans for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan. The following is a brief description of the Plan in effect at June 30, 2019 and 2018. For a complete description, refer to the Delaware Public Employee's Retirement System [DPERS] CAFR.

Separately issued financial statements for DPERS are available from the State of Delaware pension office: McArdle Building, Suite 1; 860 Silver Lake Blvd; Dover, Delaware 19904.

<u>General Information About the Plan</u>

Plan Description and Eligibility: The State Employees' Pension Plan covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities such as the School.

There are two tiers within the Plan: 1) Employees hired prior to January 1, 2012 [Pre-2012], and 2) Employees hired on or after January 1, 2012 [Post-2011].

Service Benefits: Final average monthly compensation [employee hired Post-2011 may not include overtime in pension compensation] multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For the Plan, final average monthly compensation is the monthly average of the highest three periods of 12 consecutive months of compensation.

Vesting: Pre-2012 date of hire: 5 years of credited service. Post-2011 date of hire: 10 years of credited service.

Retirement: Pre-2012 date of hire: age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire: age 65 with at least 10 years of credited service; age 60 with 20 years of credited service; and 30 years of credited service at any age.

Disability Benefits: Pre-2012 date of hire: same as Service Benefits. The employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the Plan members opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire - in the Disability Insurance Program.

Survivor Benefits: If the employee is receiving a pension, the eligible survivor receives 50% of pension [or 67.70% with 2% reduction, 75% with 3% reduction, or 100% with 6% reduction of benefit]; if employee is active with at least 5 years of credited service, eligible survivor receives 75% of the pension the employee would have received at age 62.

Burial Benefit: $7,000 per member.

Contributions:
- Employer: Determined by the Board. Employer contributions were 11.16% and 9.95% of earnings for fiscal years 2019 and 2018.
- Pre-2012 date of hire Member: 3% of earnings in excess of $6,000.
- Post-2011 date of hire Member: 5% of earnings in excess of $6,000.

NOTE 7 - PENSION PLAN [continued]

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2020 and 2019, the School reported a pension liability of $1,453,428 and $1,333,515, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the total projected contributions of the State and all participating schools, actuarially determined. At June 30, 2019 and 2018, the School's proportion was 0.0933 and 0.1033 percent, which was an decrease of 0.0100 and an increase of 0.0064 percent from its proportion measured as of June 30, 2018 and 2017.

As a result of its requirement to contribute to DPERS, the School recognized pension expense of $297,544 and $207,761 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, the School reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to DPERS:

	Deferred Resources			
	2020		2019	
Description	Outflows	Inflows	Outflows	Inflows
Difference between expected and actual experience	$ 87,524	$ (6,843)	$ 58,075	$ 16,038
Changes of assumptions	16,233	-	193,484	-
Net difference between projected and actual earnings on pension plan investments	(118,058)	(155,882)	-	47,105
Contributions subsequent to the measurement date	229,550	-	229,165	-
Change in proportion and differences between School contributions and proportionate share of contributions	26,808	(1,504)	44,681	85,382
Totals	$ 242,057	$ (164,229)	$ 525,405	$ 148,525

$229,550 and $229,165 reported as deferred outflows of resources related to the pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the years ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Years Ending June 30	2020
2021	$ 163,701
2022	633
2023	2,360
2024	11,810
2025	(1,768)
Total	$ 176,736

NOTE 7 - PENSION PLAN [continued]

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions [continued]

Actuarial assumptions: The total pension liability in the June 30, 2019 and 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Percentages	
Description	2019	2018
Inflation	2.50%	2.50%
Projected salary increase	2.50% plus merit	2.50% plus merit
Investment rate of return/discount rate	7.00%, net of pension investment expense	7.00%, net of pension investment expense
Cost-of-living adjustments	0.00%	0.00%

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016, details of which are provided in the presentation of that study to the Board of Trustees. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

Mortality assumptions are based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments [ad hoc COLAs] as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return [expected returns, net of 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 weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected Plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan's current and expected asset allocation is summarized in the following table:

	Long- Term Expected Real Rate of Return		Asset Allocation	
Asset Class	2019	2018	2019	2018
Domestic equity	5.70%	5.70%	29.50%	30.70%
International equity	5.70%	5.70%	13.50%	13.90%
Fixed income	2.00%	2.00%	27.10%	23.30%
Alternative investments	7.80%	7.80%	22.40%	24.40%
Cash and equivalents	0.00%	0.00%	7.50%	7.70%

NOTE 7 - PENSION PLAN [continued]

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions [continued]

Discount rate: The discount rate for the Plan used to measure the total pension liability was 7.00% for both periods presented. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate: The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Plan	1% Decrease	Discount Rate	1% Increase
Employees of Campus Community School:			
Fiscal Year 2020 [see Discount Rate above]	$ 2,624,701	$ 1,453,428	$ 469,168
Fiscal Year 2019 [see Discount Rate above]	$ 2,587,829	$ 1,333,515	$ 280,326

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB]

Plan Description: The School's OPEB Plan is part of the State of Delaware's Other Postemployment Benefit [OPEB] Fund Trust [the Plan] which is a cost-sharing multiple-employer defined benefit plan established in the Delaware Code. The Plan is administered by the Delaware Public Employees' Retirement System [DPERS]. The State of Delaware [the State] is responsible for the policy and management of the OPEB benefits provided to retirees. The Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

Additional financial and actuarial information with respect to the Plan may be found in the *State of Delaware Other Postemployment Benefits [OPEB] Fund Trust* Financial Statements available online at https://open.omb.delaware.gov/Financials.shtml.

Benefits: The Plan provides medical coverage to pensioners and their eligible dependents. The participant's cost of Plan benefits varies based on years of service within those pension plan categories defined by the Plan. Pensioners retiring after July 1, 2012 and who become eligible for Medicare will pay an additional 5% of the Medicare Supplement offered by the State. Surviving spouses are eligible for coverage after a retiree's death.

Contributions: Participating employers, such as the School, fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. By State Statute Chapter 52, Title 29 of the Delaware Code, contribution requirements of plan members and the government are established and may not be amended by the State Legislature. Funds are recorded in the Plan for the payment of retiree healthcare claims, administrative and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the Plan. The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the Plan and is responsible for the financial management of the Plan. The School's contractually required contribution rate for the years ended June 30, 2019 and 2018, was 9.09% and 10.66% of covered-employee payroll, respectively. Total contributions for the years ended June 30, 2019 and 2018 were $228,363 and $226,062, respectively.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB] [continued]

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

At June 30, 2020 and 2019, the School reported a liability of $7,241,397 and $8,262,682, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. The School's proportion of the net OPEB liability was based on a projection of the School's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities and affiliates, actuarially determined. At June 30, 2019 and 2018, the School's proportion was 0.0909 and 0.1006 percent, respectively, which was a decrease of 0.0097 and an increase of 0.0059 percent from its proportion measured as of June 30, 2018 and 2017, respectively.

For the years ended June 30, 2020 and 2019, the School recognized OPEB expense (benefit)of ($171,871) and $387,699, respectively. At June 30, 2020 and 2019, the School reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Resources			
	2020		2019	
Description	Outflows	Inflows	Outflows	Inflows
Difference between expected and actual experience	$ -	$ 650,326	$ -	$ -
Changes of assumptions	282,036	318,844	-	935,501
Net difference between projected and actual earnings on OPEB plan investments	-	(101)	-	17,300
Contributions subsequent to the measurement date	240,144	-	228,363	-
Change in proportion and differences between School contributions and proportionate share of contributions	229,884	709,725	380,730	324,423
Totals	$ 752,064	$ 1,678,794	$ 609,093	$ 1,277,224

$240,144 and $228,363 was reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	2020
2021	$ (350,671)
2022	(350,671)
2023	(350,671)
2024	(114,861)
2025	-
Total	$(1,166,874)

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB] [continued]

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB [continued]

Actuarial assumptions: The total OPEB liability in the June 30, 2019 and 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	Percentages	
Description	2019	2018
Discount rate	3.50%	3.87%
Salary increases	3.25% plus merit	3.25% plus merit
Investment rate of return	n/a	n/a
Healthcare cost trend rates	6.60%	6.80%

Mortality rates are based on the sex-distinct employee healthy annuitant and disabled annuitant mortality tables derived from RP-2014 Total Dataset Employee Mortality Table, including adjustment factors. Future mortality improvements are reflected by applying a custom projection scale on a generational basis to adjusted base tables from the base year.

The total OPEB liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, health costs, and employee demographic behavior in future years. The assumptions used were based on the results on an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Discount rate: The discount rate used to measure the total OPEB liability was 3.87% at the beginning of the current measurement period and 3.50% at the end, based on the Bond Buyer GO 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions from plan member will be made at the current contribution rate and that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rate used at the June 30, 2019 and 2018 measurement dates is equal to the applicable rate of the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School's proportionate share of the net OPEB liability, as well as what the School's proportionate share of the net OPEB 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 discount rate:

Plan	1% Decrease	Discount Rate	1% Increase
Employees of Campus Community School:			
Fiscal Year 2020 [see Discount Rate above]	$ 8,589,892	$ 7,241,397	$ 6,176,689
Fiscal Year 2019 [see Discount Rate above]	$ 9,832,396	$ 8,262,682	$ 7,028,452

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB] [continued]

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The healthcare trend rate used to measure the total OPEB liability was 6.80% at the beginning of the current measurement period and 6.60% at the end. The following presents the School's proportionate share of the net OPEB liability as well as what the School's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percantage point higher than the current healthcare cost trend rates:

Plan	1% Decrease	Healthcare Trend	1% Increase
Employees of Campus Community School:			
Fiscal Year 2020 [see Healthcare Trend Rate above]	$ 6,190,713	$ 7,241,397	$ 8,502,023
Fiscal Year 2019 [see Healthcare Trend Rate above]	$ 7,035,195	$ 8,262,682	$ 9,757,495

NOTE 9 - RISK MANAGEMENT

The School purchases commercial insurance policies in response to risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The premium payments for the insurance policies are recorded as expenditures/expenses of the School; and the insurance settlements did not exceed insurance coverage for the years presented.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are outstanding various commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The School does not anticipate significant losses from these transactions.

<u>Educational Commitment</u>

At June 30, 2020 and 2019, the School is committed in providing educational cost reimbursements to a maximum of $28,858 and $28,858, respectively. The commitment expires on April 14, 2021 whether reimbursements are requested.

<u>Government Awards</u>

The School receives certain federal and state grant awards. The disbursement of funds received under these grants generally requires compliance with terms and conditions specified in grant agreements and is generally subject to audit by the grantors or their representatives. No audits were conducted for the years presented. Disallowed claims resulting from such audits, if any, could become a liability of the School. The School's management believes that such disallowances, if any, would not be significant to the basic financial statements.

<u>Leasing Arrangements</u>

The School leases certain copier equipment requiring a monthly payment of $526 [$407 and $119] for the lease period of 36 months. The leasing arrangements expire June 2021.

NOTE 11 – GASB STATEMENT IMPLEMENTATION

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities.* Implementation is required for periods beginning after December 15, 2018, with earlier application encouraged. The objective of the Statement was to establish criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on [1] whether a government is controlling the assets of the fiduciary activity, and [2] the beneficiaries with whom a fiduciary relationship exists. The School maintains the student activities' funds for the years presented

NOTE 12 – PENDING GASB STATEMENTS

The School has not completed the various analysis required to estimate the future impact of the following new pronouncements on its financial statements. Generally, the School does not early implement GASB statements or pronouncements. As a result of the COVID-19 pandemic, the GASB has postponed the implementation dates for statements issued prior to GASB Statement No. 95 for one year to provide relief to governments.

In June of 2017, GASB issued Statement No. 87, *Leases.* Implementation is required for periods beginning after June 15, 2020, with earlier application encouraged. The objective of the Statement is to better meet the information needs of the financial statement users by improving the accounting and financial reporting for leases by governments. The Statement establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset.

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* Implementation is required for periods beginning after December 15, 2019; however, the Statement should be applied prospectively. The Statement requires that interest cost incurred before the end of the construction period be recognized as an expense in the period in which the cost is incurred for the financial statements prepared using the economic resources measurement focus. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of the capital asset reported in the business-type activity or enterprise fund. The statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Such interest includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement.

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No.14 and No. 61.* Implementation is required for periods beginning December 15, 2018, with earlier application encouraged. The primary objective of the Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement defines equity interest and specifies that equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. Implementation is required for periods beginning after December 15, 2020, with earlier application encouraged. The primary objectives of the Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with [1] commitments extended by issuers, [2] arrangements associated with conduit debt obligations, and [3] related note disclosures. The Statement achieves the objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. Implementation for requirements related to Statement 87 was originally effective for fiscal years beginning after December 15, 2019. Implementation for requirements related to Statements 73, 74, and 84 was originally effective for fiscal years beginning after June 15, 2020. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of required implementation by one year. The primary objective of the Statement is to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.

NOTE 12 – PENDING GASB STATEMENTS [CONTINUED]

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Implementation was originally required for periods ending after December 31, 2021, with earlier application encouraged. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* postponed the effective date of required implementation by one year to periods ending after December 31, 2022. The primary objective of the Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Implementation was originally required for periods ending after June 15, 2022, with earlier application encouraged. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of required implementation by one year to periods ending after June 15, 2023. The primary objective of the Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs.

In March of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Implementation is required for periods ending after June 15, 2022, with earlier application encouraged. The primary objective of the Statement is to better meet the information needs of financial statement users by [1] establishing uniform accounting and financial reporting requirements for SBITAS; [2] improving the comparability of financial statements among governments that have entered into SBITAs; and [3] enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* Implementation is required for periods ending after June 15, 2021, with earlier application encouraged. The primary objectives of the Statement are to [1] increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; [2] mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit [OPEB] plans, and employee benefit plans other than pension plans or OPEB plans [other employee benefit plans] as fiduciary component units in fiduciary fund financial statements; and [3] enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code [IRC] Section 457 deferred compensation plans [Section 457 plans] that meet the definition of a pension plan and for benefits provided through those plans.

NOTE 13 – COVID-19 IMPACT

The outbreak of a novel strain of coronavirus (COVID-19) has spread throughout the United States as of the date of the auditor's report. Multiple jurisdictions in the U.S. have declared various levels of States of Emergency. In March 2020, the entity was ordered by the governor of the State of Delaware to suspend in-person classes until further notice. The potential impact cannot be reasonably predicted as of the date of the auditor's report.

NOTE 14 - EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's report, the date on which the financial statements were available to be issued. Management has determined that no additional disclosures or adjustments are necessary to the financial statements.

Required Supplementary Information [RSI] Section

CAMPUS COMMUNITY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE-BUDGET & ACTUAL-GENERAL FUND
Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Charges to school districts	$ 585,225	$ 639,765	$ 607,899	$ (31,866)
State funding	3,607,735	3,734,512	3,752,379	17,867
Federal funding-education	-	426,155	449,209	23,054
Federal funding-food service	158,000	111,000	110,518	(482)
Earnings on cash and equivalents	-	-	26,969	26,969
Food service fees	-	-	184	184
Program services fees	-	-	3,868	3,868
Contributions	-	-	514	514
Miscellaneous revenue	-	-	2,405	2,405
Total revenue	4,350,960	4,911,432	4,953,945	42,513
EXPENDITURES				
Current:				
Salaries	1,854,293	1,959,235	1,841,618	117,617
Employment costs	1,047,240	992,640	932,505	60,135
Travel	1,500	1,500	241	1,259
Contracted services	330,345	214,650	178,325	36,325
Communications	2,000	7,000	6,784	216
Public utility services	85,000	85,000	88,770	(3,770)
Insurance	33,410	35,000	34,092	908
Transportation	210,000	252,750	252,794	(44)
Land/Building/Facilities	6,301	6,301	6,624	(323)
Repairs and maintenance	-	-	23,543	(23,543)
Supplies and materials	157,000	133,500	118,268	15,232
Food services	150,000	101,664	142,461	(40,797)
Capital outlay	16,500	26,500	51,360	(24,860)
Debt service	335,721	335,498	335,498	-
Federal expenditures-education	-	426,155	449,209	(23,054)
Total expenditures	4,229,310	4,577,393	4,462,092	115,301
EXCESS (DEFICIT) REVENUE OVER EXPENDITURES	121,650	334,039	491,853	157,814
OTHER FINANCING SOURCES (USES)				
Operating transfers	-	-	-	-
Replacement reserves transfers	-	-	-	-
Total other financing source (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	121,650	334,039	491,853	157,814
FUND BALANCES				
Beginning of year	-	-	494,540	494,540
End of year	$ 121,650	$ 334,039	$ 986,393	$ 652,354

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School annually adopts a budget for the general funds, which excludes federal funding. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. Budgets for the governmental funds are presented on the modified accrual basis of accounting. Accordingly, the accompanying budgetary comparison schedule for the general fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. Generally, unexpended appropriations on annual budgets lapse at the end of each year.

Material Violations
There were no material violations of the annual appropriated budget for the general fund for the current fiscal year. However, certain budget line items were either over/(under) budget mainly due to the unforeseen impact on operations by the COVID-19 pandemic.

See Report of Independent Auditor

CAMPUS COMMUNITY SCHOOL
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
As of and Years Ended June 30,

	2020	2019	2018	2017	2016	2015
School's proportion of net pension liability (asset)	0.0933%	0.1033%	0.0969%	0.1044%	0.1046%	0.1138%
School's proportionate share of net pension liability (asset)	$ 1,453,428	$ 1,333,515	$ 1,420,856	$ 1,572,687	$ 695,710	$ 419,116
School's covered-employee payroll	$ 2,052,831	$ 2,146,942	$ 2,059,048	$ 2,108,160	$ 2,100,965	$ 2,194,312
School's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	70.80%	62.11%	69.01%	74.60%	33.11%	19.10%
Plan's fiduciary net position as percentage of total pension liability	85.41%	87.49%	85.31%	84.11%	92.67%	95.80%

Note to Schedule:

The amounts presented above are determined as of June 30th of each preceding year.

See Report of Independent Auditor

CAMPUS COMMUNITY SCHOOL
SCHEDULES OF PENSION CONTRIBUTIONS
Years Ended June 30,

	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 229,550	$ 229,165	$ 213,620	$ 180,877	$ 190,678	$ 186,452
Contributions in relation to contractually required contribution	229,550	229,165	213,620	180,877	190,678	186,452
Annual contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 2,180,808	$ 2,052,831	$ 2,146,942	$ 2,059,048	$ 2,108,160	$ 2,100,965
Contribution as percentage of covered-employee payroll	10.53%	11.16%	9.95%	8.78%	9.05%	8.87%

See Report of Independent Auditor

CAMPUS COMMUNITY SCHOOL
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
As of and Years Ended June 30,

	2020	2019	2018	2017
School's proportion of the net OPEB liability	0.0909%	0.1006%	0.0947%	0.1010%
School's proportionate share of net OPEB liability (asset)	$ 7,241,397	$ 8,262,682	$ 7,818,419	$ 9,186,958
School's covered-employee payroll	$ 2,052,831	$ 2,146,942	$ 2,059,048	$ 2,108,160
School's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	352.75%	384.86%	379.71%	435.78%
Plan's fiduciary net position as percentage of total OPEB liability	0.05%	0.05%	0.04%	0.03%

Note to Schedule:

The amounts presented above are determined as of June 30th of each preceding year.

See Report of Independent Auditor

CAMPUS COMMUNITY SCHOOL
SCHEDULES OF OPEB CONTRIBUTIONS
Years Ended June 30,

	2020	2019	2018	2017
Contractually required contribution	$ 240,144	$ 228,363	$ 226,062	$ 224,658
Contributions in relation to contractually required contribution	240,144	228,363	226,062	224,658
Annual contribution (deficiency) excess	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 2,180,808	$ 2,052,831	$ 2,146,942	$ 2,059,048
Contribution as percentage of covered-employee payroll	11.01%	11.12%	10.53%	10.91%

See Report of Independent Auditor

Supplementary Information Section

CAMPUS COMMUNITY SCHOOL
BALANCE SHEETS-GENERAL FUNDS
As of June 30, 2020 and 2019

	2020				2019			
	State Fund	Local Fund	Federal Fund	Total General Fund	State Fund	Local Fund	Federal Fund	Total General Fund
ASSETS								
Cash and equivalents	$ 5,141	$1,332,852	$ -	$1,337,993	$ 19,986	$1,139,302	$ -	$1,159,288
Receivables, net of allowance:								
Students	-	3,253	-	3,253	-	10,103	-	10,103
Due from other governments	-	-	53,657	53,657	-	-	30,604	30,604
TOTAL ASSETS	$ 5,141	$1,336,105	$ 53,657	$1,394,903	$ 19,986	$1,149,405	$ 30,604	$1,199,995
LIABILITIES								
Accounts Payable	5,028	402	-	$ 5,430	24,997	255,402	6,210	$ 286,609
Accrued salaries and related costs	-	349,423	53,657	403,080	-	394,452	24,394	418,846
Total liabilities	5,028	349,825	53,657	408,510	24,997	649,854	30,604	705,455
FUND BALANCES								
Restricted for:								
Specific programs	-	480	-	480	-	480	-	480
Educational commitment	-	28,858	-	28,858	-	28,858	-	28,858
Unassigned	113	956,942	-	957,055	(5,011)	470,213	-	465,202
Total fund balances	113	986,280	-	986,393	(5,011)	499,551	-	494,540
TOTAL LIABILITIES AND FUND BALANCES	$ 5,141	$1,336,105	$ 53,657	$1,394,903	$ 19,986	$1,149,405	$ 30,604	$1,199,995

See Report of Independent Auditor

CAMPUS COMMUNITY SCHOOL
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES-GENERAL FUND
Years Ended June 30, 2020 and 2019

	2020				2019			
	State Fund	Local Fund	Federal Fund	Total General Fund	State Fund	Local Fund	Federal Fund	Total General Fund
REVENUES								
Charges to school districts	$ –	$ 607,899	$ –	$ 607,899	$ –	$ 536,716	$ –	$ 536,716
State funding	3,674,355	78,024	–	3,752,379	3,446,474	80,470	–	3,526,944
Federal funding	–	110,518	449,209	559,727	–	110,008	246,912	356,920
Earnings on cash and equivalents	–	26,969	–	26,969	–	23,314	–	23,314
Food services fees	–	184	–	184	–	32,709	–	32,709
Program services fees	–	3,868	–	3,868	–	33,103	–	33,103
Contributions	–	514	–	514	–	1,866	–	1,866
Miscellaneous revenue	–	2,405	–	2,405	–	5,510	–	5,510
Total revenues	3,674,355	830,381	449,209	4,953,945	3,446,474	823,696	246,912	4,517,082
EXPENDITURES								
Current:								
Salaries	1,880,933	(39,315)	298,712	2,140,330	1,645,108	264,719	162,336	2,072,163
Employment costs	904,908	27,597	134,350	1,066,855	873,123	182,605	47,515	1,103,243
Travel	241	–	500	741	–	–	2,549	2,549
Contracted services	174,166	4,159	10,538	188,863	262,529	52,376	8,388	323,293
Communications	6,784	–	–	6,784	3,631	499	–	4,130
Public utility services	88,770	–	–	88,770	71,343	12,850	–	84,193
Insurance	4,329	29,763	–	34,092	18,811	15,817	–	34,628
Transportation	252,794	–	–	252,794	202,109	12,837	–	214,946
Land/Building/Facilities	6,624	–	–	6,624	5,133	1,457	–	6,590
Repairs and maintenance	20,393	3,150	–	23,543	24,671	20,026	–	44,697
Supplies and materials	97,552	20,716	5,109	123,377	108,819	14,436	26,124	149,379
Food services	–	142,461	–	142,461	–	124,820	–	124,820
Capital outlay	4,971	46,389	–	51,360	15,313	29,350	–	44,663
Total expenditures	3,442,465	234,920	449,209	4,126,594	3,230,590	731,792	246,912	4,209,294
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	231,890	595,461	–	827,351	215,884	91,904	–	307,788
OTHER FINANCING SOURCES (USES)								
Operating transfers	(279,568)	(55,930)	–	(335,498)	(223,833)	(111,888)	–	(335,721)
Replacement reserves transfers	52,802	(52,802)	–	–	–	52,802	–	52,802
Legal settlement and related costs	–	–	–	–	–	(633,428)	–	(633,428)
Total other financing sources (uses)	(226,766)	(108,732)	–	(335,498)	(223,833)	(692,514)	–	(916,347)
NET CHANGE IN FUND BALANCES	5,124	486,729	–	491,853	(7,949)	(600,610)	–	(608,559)
FUND BALANCE								
Beginning of year	(5,011)	499,551	–	494,540	2,938	1,100,161	–	1,103,099
End of year	$ 113	$ 986,280	$ –	$ 986,393	$ (5,011)	$ 499,551	$ –	$ 494,540

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Reports Required by

Government Auditing Standards

WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

Report of Independent Auditor
on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of the Financial Statements
Performed in Accordance with *Government Auditing Standards*

To Members of the School Board
Campus Community School
Dover, Delaware

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Campus Community School [a component unit of the State of Delaware], as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Campus Community School's basic financial statements, and have issued our report thereon dated September 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Campus Community School's internal control over financial reporting [internal control] to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Campus Community School's internal control. Accordingly, we do not express an opinion on the effectiveness of Campus Community School'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 School's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campus Community School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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To the Members of the School Board
Campus Community School

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 result of that testing, and not to provide an opinion on the effectiveness of Campus Community School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Campus Community School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whisman Giordano & Associates, LLC

Newark, Delaware
September 29, 2020