

TOWNSHIP OF DEPTFORD

SCHOOL DISTRICT

DEPTFORD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

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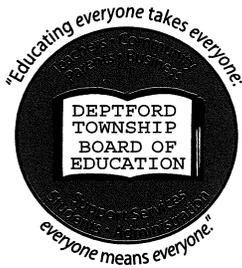
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INTRODUCTORY SECTION



DEPTFORD TOWNSHIP BOARD OF EDUCATION

Harold E. O'Neil, Jr., Interim School Business Administrator / Board Secretary

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<http://www.deptford.k12.nj.us>

December 2, 2011

Honorable President and
Members of the Board of Education
Deptford Township School District
Gloucester County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Deptford Township School District for the fiscal year ended June 30, 2011, 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 are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, 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 the Single Audit Act of 1996, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of

Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Deptford Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board Statement No. 14. All funds and account groups of the District are included in this report. The Deptford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an average daily enrollment of 4351.9 students, which are 71 students below the previous year's enrollment. The following detail the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment		
Fiscal Year	Average Daily Enrollment	Percent Increase/ (Decrease)
2006-07	4299.6	.89%
2007-08	4339.2	.92%
2008-09	4355.1	.37%
2009-10	4283.7	(1.64%)
2010-11	4351.9	1.6%

2. ECONOMIC CONDITION AND OUTLOOK: The Deptford area is served by major transportation routes including I-295, NJ Turnpike, Route 42, and Route 55. The high level of developer interest in Deptford is due in large measure to its access to these highways. The Deptford Mall and shopping centers, restaurants, and theaters surrounding the Mall are a focal point of attraction and serve a wide area of South Jersey and even South Philadelphia. Since a November 1987 study conducted by the Delaware Valley Planning Commission projecting a population increase Deptford has seen several housing developments constructed as well as several large businesses building in the area. It is expected that expansion will continue and the area will continue to prosper.

3. MAJOR INITIATIVES: Students in the Deptford Township School District receive a comprehensive educational program. The district's 2011-2012 major initiatives are listed below:

Elementary:

- The continued implementation of a kindergarten through six grade inquiry-based science program (FOSS and STC).
- The continued implementation of a comprehensive core English Language Arts program in grades K-6.

- A new Kindergarten program which is developmentally appropriate and based on the new State Kindergarten regulations.
- Expansion of our basic skills program and staff.
- A gifted and talented teacher provides services to students in grades 2-6.
- The continued implementation of an ongoing diagnostic reading assessment in grades K-5.
- The continued implementation of a research based comprehensive Pre-K program endorsed by NCLB and the New Jersey Office of Early Childhood Education.
- Continued increase in technology through the expanded purchase of smart boards.
- The continued implementation of a researched based 6th grade math program, Connected Mathematics.
- Continued computer instruction for grades 4-6 in the elementary schools.
- The continued implementation of tiered interventions.

Middle School:

- The continued implementation of a comprehensive core English Language Arts program in grades 7 and 8.
- Additional laptop carts available for instruction.
- The continued implementation of an inquiry based science program in grades 7 and 8.
- The continued implementation of the INCLUDE grant to enhance understanding and student achievement in the inclusion classroom.
- The continued implementation of a research-based social studies program in grades 7-8, including gifted and talented Social Studies courses.
- Continued implementation of the computer curriculum.
- The continued implementation of tiered interventions, including staff and programs during and after school.

High School:

- The continued implementation of a comprehensive core English Language Arts program in all language arts literacy courses.
- The continued implementation of a new math program in all Algebra I courses.
- Continued increase in technology through the expanded purchase of smart boards and laptop carts.
- Continued implementation of a discovery-based mathematics program.
- Continued implementation of the business practice firm course.
- The continued implementation of tiered interventions.

Administration:

- Expectations of teacher performance are being addressed; teachers were in-serviced in a two-day Differentiated Instruction workshop. All new staff members are mandated to participate in this course before

entry into the district, and all current staff members are also expected to attend.

- The continued implementation of RTIM Direct to house student data and interventions.
- The continued participation of teacher-led professional development.

Technology Initiatives:

- Online classes continue to be offered at the high school and middle school through Virtual High School.
- Smart Boards and Elmos are being used at all schools to integrate technology into all areas of the curriculum.
- Curriculum has been written on integrating technology into math, language arts, science, and social studies. The curriculum is available on the district website.
- Technology mentors have been identified in each building to assist in technology planning, integration, and training throughout the district.
- Compass Learning is being used to increase achievements in grades K-12.
- A computer teacher and the librarians provide computer instruction in grades 4-6.
- Continued implementation of the curriculum at the middle school to integrate multimedia technology.

4. INTERNAL ACCOUNTING CONTROLS: The district is responsible for establishing and maintaining an 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). The 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 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. This 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 the internal control, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement", Note 1.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in New Jersey statute 18A:20-37. 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.

8. RISK MANAGEMENT: The Board of Education is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10.

The GCSSDJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery and auto physical damage.
2. General Liability, including school board legal liability.
3. Automobile Liability.
4. Workers' Compensation.

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

9. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The certified public accounting firm of Bowman & Company, LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and

combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

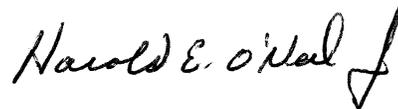
10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

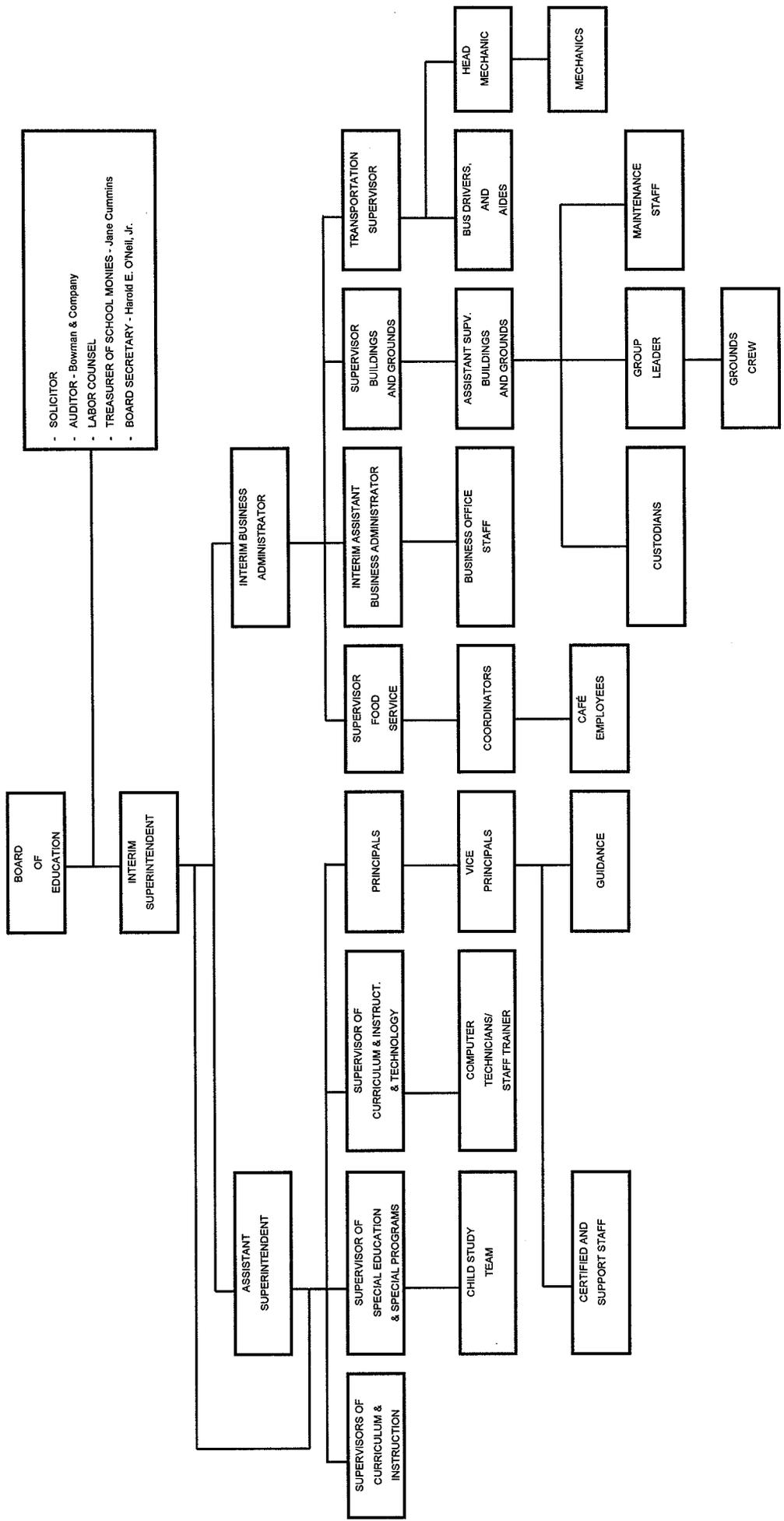


Ralph E. Ross Sr.
Interim Superintendent



Harold E. O'Neil, Jr.
Interim Business Administrator/
Board Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION Organizational Chart



DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

Members of the Board of Education

Term Expires

Mark L. Getsinger, Sr.	2012
James Messner	2012
Joseph Wilson	2012
Robert Condo	2013
Edward L. Kiermeier, Jr.	2013
Alice Mantici	2013
Walter Berglund (President)	2014
Rachel Green (Vice President)	2014
Robert Laute, Sr.	2014

Other Officials

Ralph E. Ross, Interim Superintendent

Carolyn Morehead, Assistant Superintendent

Harold E. O'Neil, Jr., Interim School Business Administrator/Board Secretary

Jane Cummins, Treasurer

DEPTFORD TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
406 Lippincott Drive, Suite M
Marlton, NJ 08053

AUDIT FIRM

Bowman & Company, LLP
601 White Horse Road
Voorhees, NJ 08043

ATTORNEYS

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Summit, NJ 07901

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Deptford School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Deptford School District in the County of Gloucester, State of New Jersey as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2011 on our consideration of the Township of Deptford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Deptford School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

G. J. Walton

Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20C00205000

Voorhees, New Jersey
December 2, 2011

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund and aggregate remaining fund information of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated December 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Deptford School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Deptford School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 district's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance to be a material weaknesses as finding no.: 2011-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Deptford School District'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 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 and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

The Township of Deptford School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20CS00205000

Voorhees, New Jersey
December 2, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

The discussion and analysis of Deptford Township Public Schools' financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ❖ In total, net assets increased \$219,692 which represents a one percent increase from 2010.
- ❖ General revenue accounted for \$61,273,587 or ninety two percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,351,859 or eight percent of total revenues of \$66,625,446.
- ❖ The School District had \$66,405,864 in expenses; \$5,351,859 of those expenses was offset by program specific charges for services, grants, or contributions. General revenues of \$61,273,587 and the District's net asset balances were adequate to provide for those programs.
- ❖ Among governmental funds, the General Fund had \$58,731,599 in revenues and \$58,933,492 in expenditures. The General Fund's fund balance decreased \$201,893 from 2010.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Deptford Township Public Schools as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Deptford Township Public Schools, the General Fund is by far the most significant fund.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- ❖ **Business-Type Activity** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. This information is information that has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Table 1 provides a summary of the School District's net assets for 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Assets		
Current and Other Assets	\$ 6,540,138	\$ 6,914,814
Capital Assets	<u>37,105,113</u>	<u>37,254,854</u>
Total Assets	<u>\$ 43,645,251</u>	<u>\$ 44,169,668</u>
Liabilities		
Long-Term Liabilities	14,663,563	15,384,549
Other Liabilities	<u>1,871,910</u>	<u>1,895,033</u>
Total Liabilities	<u>16,535,473</u>	<u>17,279,582</u>
Net Assets		
Invested in Capital Assets, Net of Debt	24,531,088	23,863,502
Restricted	3,741,418	6,146,861
Unrestricted	<u>(1,161,728)</u>	<u>(3,120,277)</u>
Total Net Assets	<u>\$ 27,109,778</u>	<u>\$ 26,890,086</u>

The District's combined net assets were \$27,109,778 on June 30, 2011. This was an increase of 0.81% from the prior year.

Total assets decreased \$524,417. A decrease in current and other assets of \$374,676 was due to a decrease in cash. A decrease in capital assets of \$149,741 is due to capital additions being less than the current year depreciation expense.

Total liabilities decreased \$777,133 primarily due to a decrease in bonds payable. Table 2 shows changes in net assets for fiscal year 2011 compared to the fiscal year 2010.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Table 2 shows changes in net assets for fiscal year 2011 and 2010.

**Table 2
Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 803,137	\$ 921,573
Operating Grants and Contributions	4,548,722	3,812,431
General Revenues:		
Property Taxes	34,690,650	34,649,789
Grants and Entitlements	26,416,376	25,072,474
Other	<u>166,561</u>	<u>283,173</u>
Total Revenues	<u>66,625,446</u>	<u>64,739,440</u>
Program Expenses		
Instruction	36,142,077	35,484,963
Support Services:		
Pupils and Instructional Staff	11,654,786	10,342,626
General Administration, School Administration, Central Services, Administrative Information Technology	5,757,744	6,456,114
Operations and Maintenance of Facilities	7,637,548	7,090,192
Pupil Transportation	3,114,680	4,069,573
Special Schools		
Interest on Debt	625,053	664,383
Food Service	<u>1,473,976</u>	<u>1,775,291</u>
Total Expenses	<u>66,405,864</u>	<u>65,883,142</u>
 Increase (Decrease) in Net Assets	 <u>\$ 219,692</u>	 <u>\$ (1,143,702)</u>

Program revenues include charges for services and operating grants and contributions. The increase in charges for services is primarily the result of an increase in food service sales. There is a \$736,291 increase in operating grants and contributions due primarily to an increase in state grants.

General revenues include property taxes, federal and state aids, and other revenues, with federal and state aids being the predominant source of revenue for the District. Federal and state aids increased \$1,343,902, primarily due to capital grants received in 2011.

Property taxes increased \$40,861 as State aid revenue decreased.

Total expenses increased by \$522,722 mainly due to increase in capital projects.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 52.03% and 53.52% of revenues for governmental activities for the Deptford Township Public Schools for fiscal years 2011 and 2010 respectively. The District's total revenues were \$66,625,446 and \$64,739,440 for the years ended June 30, 2011 and 2010 respectively. Federal, state, and local grants accounted for another 46.47% and 44.62% of revenue in those years.

The total cost of all programs and services was \$66,405,864. Instruction comprises 54.42% of District expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state requirements.

- ❖ Food service revenues exceeded expenses by \$52,434.
- ❖ Charges for services represent \$724,486 of revenue. This represents amounts paid by patrons for daily food service
- ❖ Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$801,814.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	Table 3			
	Total Cost of Services <u>2011</u>	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2011</u>	Net Cost of Services <u>2010</u>
Instruction	\$ 36,142,077	\$ 35,484,963	\$ 34,700,322	\$ 33,251,137
Support Services:				
Pupils and				
Instructional Staff	11,654,786	10,342,626	9,270,982	10,342,626
General Administration, School Administration, Central Services, Administrative Information Technology	5,757,744	6,456,114	5,757,744	6,456,114
Operation and Maintenance of Facilities	7,637,548	7,090,192	7,637,548	7,090,192
Pupil Transportation	3,114,680	4,069,573	3,114,680	3,119,216
Special Schools				
Interest and Fiscal Charges	<u>625,053</u>	<u>664,383</u>	<u>625,053</u>	<u>664,383</u>
Total Expenses	<u>\$ 64,931,888</u>	<u>\$ 64,107,851</u>	<u>\$ 61,106,329</u>	<u>\$ 60,923,668</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extra-curricular activities.

Pupils and Instructional Staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business services include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Interest on debt involves the transactions associated with the payment of interest and other related charges to the debt of the School District.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues in these funds amounted to \$65,099,146 and expenditures of \$65,508,034. This resulted in a net decrease in fund balance of \$408,888.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Tuition revenue anticipated was less than actually received. Tuition contracts overall were less than the prior year.
- TPAF "on behalf" payments and the TPAF Social Security reimbursement are the state's contributions to the pension fund and the state's employer share of social security reimbursement. Neither of these payments are a revenue item nor an expenditure item to the District but are required to be reflected in the financial statements

Capital Assets

At the end of the fiscal year 2011, the School District had \$36,979,503 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4
Capital Assets (Net of Depreciation) at June 30**

	<u>2011</u>	<u>2010</u>
Land	\$ 210,136	\$ 210,136
Construction in Progress	349,270	1,179,819
Sites/Site Improvements	641,282	698,083
Building and Building Improvements	33,906,858	33,025,406
Machinery and Equipment	<u>1,871,957</u>	<u>1,989,476</u>
Total	<u>\$ 36,979,503</u>	<u>\$ 37,102,920</u>

**DEPTFORD TOWNSHIP PUBLIC SCHOOLS
DEPTFORD, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

Overall capital assets decreased \$123,417 from fiscal year 2010 to fiscal year 2011. This decrease was due to depreciation expense exceeding additions.

Debt Administration

At June 30, 2011, the School District had \$14,756,063 of outstanding debt. Of this amount, \$2,211,063 is for compensated absences and \$12,545,000 is for the payment of serial bonds that were issued for school construction.

**Table 5
Outstanding Bonds Payable at June 30**

	<u>2011</u>	<u>2010</u>
2002 General obligation bonds	\$ 2,615,000	\$ 3,465,000
2006 General obligation bonds	<u>9,930,000</u>	<u>9,965,000</u>
Total	<u>\$ 12,545,000</u>	<u>\$ 13,430,000</u>

For the Future

The Deptford Township Public Schools is presently in good financial condition. The School District will have to address a growing population issue within the next few years. An expansion of the School District may become necessary to provide a thorough and efficient education and keep class sizes down. The District has always been proud of its community's support of the public schools and expects that to continue during its upcoming population concerns.

With the possible expansion and the state's current funding, future finances are not without challenges. However, the District will continue its efforts to maintain the high standards it sets for itself while trying to minimize the costs passed on to the taxpayers.

In conclusion, Deptford Township Public Schools has committed itself to financial excellence for many years. The School District's system for financial planning, budgeting, and internal financial controls is well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Harold E. O'Neil, Jr., Interim School Business Administrator/Board Secretary at Deptford Township Board of Education, 2022 Good Intent Road, Deptford, NJ 08096. Please visit our website at www.deptford.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents		\$ 177,733	\$ 177,733
Receivables, net	\$ 5,295,274	124,812	5,420,086
Deposit - Health Insurance Program	401,927		401,927
Inventory		10,721	10,721
Restricted Assets:			
Restricted Cash and Cash Equivalents			
Capital Reserve Account - Cash	248,088		248,088
Bond Issuance Costs	281,583		281,583
Capital Assets, net (Note 6)	36,979,503	125,610	37,105,113
Total Assets	<u>43,206,375</u>	<u>438,876</u>	<u>43,645,251</u>
LIABILITIES:			
Accounts Payable	\$ 276,811	\$ 59,770	\$ 336,581
Payable to State Government	51,324		51,324
Deferred Revenue	314,057		314,057
Accrued Interest Payable	403,108		403,108
Accrued Liability for Insurance Claims	766,840		766,840
Noncurrent Liabilities (Note 7):			
Due within One Year	1,586,062		1,586,062
Due beyond One Year	13,077,501		13,077,501
Total Liabilities	<u>16,475,703</u>	<u>59,770</u>	<u>16,535,473</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	24,405,478	125,610	24,531,088
Restricted for:			
Debt Service	450,369		450,369
Capital Projects	925,092		925,092
Other Purposes	2,364,957		2,364,957
Unrestricted (Deficit)	(1,415,224)	253,496	(1,161,728)
Total Net Assets	<u>\$ 26,730,672</u>	<u>\$ 379,106</u>	<u>\$ 27,109,778</u>

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

Township of DePford School District
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	27,640,288	\$ 78,651	\$ 1,241,201	\$ (26,399,087)		\$ (26,399,087)
Special Education	6,789,396		121,903	(6,588,842)		(6,588,842)
Other Special Instruction	1,712,393			(1,712,393)		(1,712,393)
Support Services:						
Tuition	2,082,114		2,383,804	(2,082,114)		(2,082,114)
Student and Instruction Related Services	9,572,672			(7,188,868)		(7,188,868)
General Administrative Services	851,976			(851,976)		(851,976)
School Administrative Services	4,905,768			(4,905,768)		(4,905,768)
Plant Operations and Maintenance	7,637,548			(7,637,548)		(7,637,548)
Pupil Transportation	3,114,680			(3,114,680)		(3,114,680)
Interest on Long-Term Debt	625,053			(625,053)		(625,053)
Total Governmental Activities	64,931,888	78,651	3,746,908	(61,106,329)		(61,106,329)
Business-Type Activities:						
Food Service	1,473,976	724,486	801,814	-	\$ 52,324	52,324
Total Business-Type Activities	1,473,976	724,486	801,814	-	52,324	52,324
Total Primary Government	\$ 66,405,864	\$ 803,137	\$ 4,548,722	(61,106,329)	52,324	(61,054,005)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				33,285,000		33,285,000
Taxes Levied for Debt Service				1,405,650		1,405,650
Federal and State Aid Not Restricted				25,201,387		25,201,387
State Aid Restricted				1,214,989		1,214,989
Interest and Investment Earnings					110	110
Miscellaneous Income				166,561		166,561
Total General Revenues, Special Items, Extraordinary Items and Transfers				61,273,587	110	61,273,697
Change in Net Assets				167,258	52,434	219,692
Net Assets -- July 1				26,563,414	326,672	26,890,086
Net Assets -- June 30				\$ 26,730,672	\$ 379,106	\$ 27,109,778

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

FUND FINANCIAL STATEMENTS

Township of Deptford School District
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents					
Capital Reserve Account	\$ 248,088				\$ 248,088
Deposit - Health Insurance Program	401,927				401,927
Accounts Receivable					
State	387,427	\$ 3,000	\$ 2,315,589		2,706,016
Federal		2,346,699			2,346,699
Other	203,338				203,338
Interfunds Receivable	3,040,286			\$ 450,369	3,490,655
Total Assets	\$ 4,281,066	\$ 2,349,699	\$ 2,315,589	\$ 450,369	\$ 9,396,723
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 271,719	\$ 5,092			\$ 276,811
Interfunds Payable		2,060,937	\$ 1,390,497		3,451,434
Payable to State Government		51,324			51,324
Accrued Liability for Insurance Claims	766,840				766,840
Deferred Revenue		314,057			314,057
Total Liabilities	1,038,559	2,431,410	1,390,497		4,860,466
Fund Balances:					
Restricted:					
Capital Reserve Account	248,088				248,088
Excess Surplus	616,869				616,869
Capital Projects			925,092	\$ 450,369	1,375,461
Deebt Service					
Assigned:					
Other Purposes	1,382,581				1,382,581
Designated for Subsequent Year's Expenditures	1,500,000				1,500,000
Unassigned	(505,031)	(81,711)			(586,742)
Total Fund Balances	3,242,507	(81,711)	925,092	450,369	4,536,257
Total Liabilities and Fund Balances	\$ 4,281,066	\$ 2,349,699	\$ 2,315,589	\$ 450,369	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost are \$662,951 and the accumulated amortization is \$381,368.

281,583

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$64,503,884, and the accumulated depreciation is \$27,524,381.

36,979,503

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.

14,663,563

Accrued interest payable

403,108

Net assets of governmental activities

\$ 26,730,672

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

Township of Deptford School District
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 33,285,000			\$ 1,405,650	\$ 34,690,650
Tuition Charges	78,651				78,651
Unrestricted Miscellaneous Revenues	166,561				166,561
State Sources	25,115,431	\$ 956,581	\$ 1,214,989		27,287,001
Federal Sources	85,956	2,790,327			2,876,283
Total Revenues	58,731,599	3,746,908	1,214,989	1,405,650	65,099,146
EXPENDITURES:					
Current:					
Regular Instruction	18,695,834	1,196,942			19,892,776
Special Education Instruction	4,741,653	118,309			4,859,962
Other Special Instruction	1,217,785				1,217,785
Support Services and Undistributed Costs:					
Tuition	2,082,114				2,082,114
Student and Instruction Related Services	5,224,975	2,313,517			7,538,492
General Administrative Services	739,435				739,435
School Administrative Services	2,093,983				2,093,983
Central Services	608,097				608,097
Administrative Information Technology	786,706				786,706
Plant Operations and Maintenance	5,431,517				5,431,517
Pupil Transportation	3,114,680				3,114,680
Unallocated Benefits	13,082,638	110,246			13,192,884
Debt Service:					
Principal				885,000	885,000
Interest and Other Charges				557,380	557,380
Capital Outlay	1,114,075	2,650	1,390,498		2,507,223
Total Expenditures	58,933,492	3,741,664	1,390,498	1,442,380	65,508,034
Excess (Deficiency) of Revenues over Expenditures	(201,893)	5,244	(175,509)	(36,730)	(408,888)
OTHER FINANCING SOURCES (USES):					
Proceeds from Bond Sale					
Operating Transfers In					-
Operating Transfers Out					-
Total Other Financing Sources and Uses	-	-	-	-	-
Net Change in Fund Balances	(201,893)	5,244	(175,509)	(36,730)	(408,888)
Fund Balance -- July 1	3,444,400	(86,955)	1,100,601	487,099	4,945,145
Fund Balance -- June 30	<u>\$ 3,242,507</u>	<u>\$ (81,711)</u>	<u>\$ 925,092</u>	<u>\$ 450,369</u>	<u>\$ 4,536,257</u>

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

Township of Deptford School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds	\$	(408,888)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>		
Depreciation Expense	\$	2,626,138
Capital Outlays not being depreciated		4,502
Capital Outlays		<u>(2,507,223)</u>
		(123,417)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		885,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		16,787
Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(84,460)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(117,764)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>167,258</u></u>

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

Township of Deptford School District
Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 177,733
Accounts Receivable:	
State	3,067
Federal	119,744
Other	2,001
Inventories	<u>10,721</u>
Total Current Assets	<u>313,266</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	496,633
Less Accumulated Depreciation	<u>(371,023)</u>
Total Noncurrent Assets	<u>125,610</u>
Total Assets	<u><u>\$ 438,876</u></u>
LIABILITIES :	
Current Liabilities:	
Interfund Payable	\$ 39,221
Accounts Payable	<u>20,549</u>
Total Current Liabilities	<u>59,770</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	125,610
Unrestricted Net Assets	<u>253,496</u>
Total Net Assets	<u>379,106</u>
	<u><u>\$ 438,876</u></u>

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

Township of Deptford School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 492,712
Daily Sales - Non-Reimbursable Programs	<u>231,774</u>
Total Operating Revenues	<u>724,486</u>
OPERATING EXPENSES:	
Salaries	732,481
Employee Benefits	104,461
Supplies and Materials	58,111
Cost of Sales	508,154
Management Fee	11,949
Dues and Subscriptions	760
Office and Uniform Expense	4,169
Repairs and Maintenance	19,830
Bank Charges	4,405
Credit Card Fees	1,721
Depreciation	<u>27,935</u>
Total Operating Expenses	<u>1,473,976</u>
Operating Income (Loss)	<u>(749,490)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	17,066
Federal Sources:	
Special Milk Program	4,160
National School Lunch Program	546,495
School Breakfast Program	136,175
United States Department of Agriculture Commodities	97,918
Interest and Investment Revenue	<u>110</u>
Total Nonoperating Revenues	<u>801,924</u>
Change in Net Assets	52,434
Net Assets -- July 1	<u>326,672</u>
Net Assets -- June 30	<u>\$ 379,106</u>

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

Township of Deptford School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 724,486
Payments to Employees	(732,481)
Payments for Employee Benefits	(104,461)
Payments to Suppliers	<u>(544,874)</u>
Net Cash Provided by (used for) Operating Activities	<u>(657,330)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from State and Federal Reimbursements	<u>638,374</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>638,374</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(1,611)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(1,611)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>110</u>
Net Cash Provided by (used for) Investing Activities	<u>110</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(20,457)
Cash and Cash Equivalents -- July 1	<u>198,190</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 177,733</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (749,490)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	27,935
Federal Commodities	97,918
(Increase) Decrease in Inventories	<u>(2,833)</u>
Total Adjustments	<u>92,160</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (657,330)</u></u>

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

Township of Deptford School District
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Trust Funds			Agency Funds		
	<u>New Jersey Unemployment Compensation</u>	<u>Private Purpose Trust</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 702,975	\$ 57,550	\$ 760,525	\$ 276,149	\$ 612,086	\$ 888,235
Total Assets	<u>702,975</u>	<u>57,550</u>	<u>\$ 760,525</u>	<u>\$ 276,149</u>	<u>\$ 612,086</u>	<u>\$ 888,235</u>
LIABILITIES:						
Net Payroll - Summer Salary Payable to Student Groups				\$ 276,149	\$ 612,086	\$ 612,086
Total Liabilities				<u>\$ 276,149</u>	<u>\$ 612,086</u>	<u>\$ 888,235</u>
NET ASSETS:						
Unreserved	<u>\$ 702,975</u>	<u>\$ 57,550</u>	<u>\$ 760,525</u>			

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

Township of Deptford School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

	New Jersey Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 85,142	
Gifts and Contributions		\$ 375
	<u>85,142</u>	<u>375</u>
Investment Earnings:		
Interest on Investments	<u>1,274</u>	
Net Investment Earnings	<u>1,274</u>	
Total Additions	<u>86,416</u>	<u>375</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	66,861	
Scholarships Awarded		4,200
	<u>66,861</u>	<u>4,200</u>
Total Deductions	<u>66,861</u>	<u>4,200</u>
Change in Net Assets	19,555	(3,825)
Net Assets -- July 1	<u>683,420</u>	<u>61,375</u>
Net Assets -- June 30	<u>\$ 702,975</u>	<u>\$ 57,550</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Township of Deptford School District (hereafter referred to as the "School District") is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-12 at its eight schools. The School District has an approximate enrollment at June 30, 2011 of 4,390.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this Note.

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Financial Statements - The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The policy of the School District is to not allocate indirect

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (cont'd)**

expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The General Fund is the general operating fund of the School 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 classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America 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 which 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Governmental Funds (Cont'd)**

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenues from the 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.

Capital Projects Fund - The Capital Projects Fund is used to account for 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 New Jersey Economic Development Authority grants, temporary notes, or serial bonds which 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, general long-term debt principal, interest and related costs.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds - The Enterprise Funds are used to account for operations:

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. where the School 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 School District's Enterprise Fund is:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

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 assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Enterprise Funds (Cont'd) –**

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:

Equipment	10 Years
Heavy Trucks and Vehicles	8 Years

Fiduciary Funds - Fiduciary Fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds, an unemployment compensation trust fund, scholarship fund, a student activity fund, and payroll fund.

Measurement Focus

District-wide Financial Statements - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid, Early Childhood Program Aid, and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses / Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Note 1: 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. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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 fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the 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, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of 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 modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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.

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 governmental fund types 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 expenditures when consumed rather than when purchased.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. 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 represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as Interfunds Receivable and / or Interfunds Payable.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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 fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are 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. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are 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:

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (cont'd)**

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, 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 an expenditure is 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 an expenditure is 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.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund

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

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.

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.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2011, the School District's bank balance of \$6,090,910 was exposed to custodial credit risk as follows:

Insured	\$ 500,000
Collateralized under GUDPA	3,609,597
Uninsured/Uncollateralized	<u>1,981,313</u>
	<u>\$ 6,090,910</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$ 1 on October 3, 2006 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A school district may also appropriate additional amounts when the excess approval of the voters has been obtained by either 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 N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance July 1, 2010	\$ 1,523,076
Deposits	-
Withdrawals	<u>(1,274,988)</u>
Ending balance June 30, 2011	<u>\$ 248,088</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects \$2,949,000.

Note 4: ACCOUNTS RECEIVABLES

Accounts receivable at June 30, 2011 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.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Total
State	\$ 387,427	\$ 3,000	\$ 2,315,589	\$ 3,067	\$ 2,709,083
Federal		2,362,082		119,744	2,481,826
Other	<u>203,338</u>			<u>2,001</u>	<u>205,339</u>
Total	<u>\$ 590,765</u>	<u>\$ 2,365,082</u>	<u>\$ 2,315,589</u>	<u>\$ 124,812</u>	<u>\$ 5,396,248</u>

Note 5: INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	\$ 10,612
Supplies	<u>109</u>
	<u>\$ 10,721</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions / Transfers</u>	<u>Balance June 30, 2011</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 210,136			\$ 210,136
Construction in Progress	1,179,819	\$ 349,270	(1,179,819)	349,270
Total Capital Assets not being Depreciated	<u>1,389,955</u>	<u>349,270</u>	<u>(1,179,819)</u>	<u>559,406</u>
Capital Assets, being Depreciated:				
Land Improvements	1,012,815	3,511		1,016,326
Building and Improvements	51,113,970	1,782,503	\$ 1,179,819	54,076,292
Equipment	8,484,423	367,437		8,851,860
Total Capital Assets, being Depreciated	<u>60,611,208</u>	<u>2,153,451</u>	<u>1,179,819</u>	<u>63,944,478</u>
Less Accumulated Depreciation for:				
Land Improvements	(314,732)	(60,312)		(375,044)
Building and Improvements	(18,088,564)	(2,080,870)		(20,169,434)
Equipment	(6,494,947)	(484,956)		(6,979,903)
Total Accumulated Depreciation	<u>(24,898,243)</u>	<u>(2,626,138)</u>	<u>-</u>	<u>(27,524,381)</u>
Total Capital Assets, being Depreciated, Net	<u>35,712,965</u>	<u>(472,687)</u>	<u>1,179,819</u>	<u>36,420,097</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,102,920</u>	<u>\$ (123,417)</u>	<u>\$ -</u>	<u>\$ 36,979,503</u>
Business-Type Activities:				
Total Capital Assets, being Depreciated:				
Equipment	\$ 495,022	\$ 1,611		\$ 496,633
Less Accumulated Depreciation	(343,088)	(27,935)		(371,023)
Total Business-Type Activities Capital Assets, Net	<u>\$ 151,934</u>	<u>\$ (26,324)</u>	<u>\$ -</u>	<u>\$ 125,610</u>

Note 6: CAPITAL ASSETS (CONT'D)

* Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,265,392
Special Education	320,929
Other Special Instruction	82,423
Community Services Programs/Operations	7,617
Student and Instruction Related Services	346,025
School Administrative Services	141,727
Central Services	41,158
Administration Information Services	53,247
Plant Operations and Maintenance	<u>367,620</u>
Total Depreciation Expense	<u><u>\$ 2,626,138</u></u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 13,430,000		\$ (885,000)	\$ 12,545,000	\$ 925,000
Compensated Absences	<u>2,093,299</u>	<u>\$ 476,209</u>	<u>(358,445)</u>	<u>2,211,063</u>	<u>707,312</u>
Governmental Activity Long-term Liabilities	<u><u>\$ 15,523,299</u></u>	<u><u>\$ 476,209</u></u>	<u><u>\$ (1,243,445)</u></u>	<u><u>\$ 14,756,063</u></u>	<u><u>\$ 1,632,312</u></u>

Unamortized prepaid interest costs are allocated to current and non-current portions of the outstanding principal balance of long term obligations at June 30, 2011 as follows:

	<u>Due within One Year</u>	<u>Due beyond One Year</u>	<u>Total</u>
Long term obligations	\$ 1,632,312	\$ 13,123,751	\$ 14,756,063
Less unamortized prepaid interest	<u>(46,250)</u>	<u>(46,250)</u>	<u>(92,500)</u>
	<u><u>\$ 1,586,062</u></u>	<u><u>\$ 13,077,501</u></u>	<u><u>\$ 14,663,563</u></u>

Note 7: LONG-TERM OBLIGATIONS (CONT'D)

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

The School District has issued various general obligation bonds at interest rates varying from 3.30% to 4.60% for various construction and renovation projects. The details of these bond issues are listed below:

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities</u>	<u>Interest Rates</u>
2006	\$ 10,000,000	2012 to 2022	3.30% - 4.00%
2002	\$ 18,175,000	2012 to 2014	4.40% - 4.60%

The final maturity of these bonds is February 1, 2022. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	925,000	517,090	1,442,090
2013	965,000	474,980	1,439,980
2014	1,010,000	431,030	1,441,030
2015	1,050,000	385,800	1,435,800
2016	1,100,000	343,800	1,443,800
2017-2021	6,150,000	961,800	7,111,800
2022	1,345,000	59,200	1,404,200
	<u>\$ 12,545,000</u>	<u>\$ 3,173,700</u>	<u>\$ 15,718,700</u>

Bonds Authorized But Not Issued - As of June 30, 2011, the School District had no authorized but not issued bonds.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. N.J.S.A. 43:15A-24 authorizes the reduction in member rates based on the existence of surplus pension assets in the retirement system. The contribution rate for TPAF members effective January 1, 2004 was 5%.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School 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.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 8: PENSION PLANS (CONT'D)

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by School District</u>
2011	\$ 308,965	\$ 492,316	\$ 801,281	\$ -	\$ 801,281
2010	253,517	325,739	579,256	-	579,256
2009	229,572	265,529	495,101	186,009	309,092

Note 9: POSTEMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2010.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a school district or county college with 25 years of service. The State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2010.

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$80,151 and \$1,702,409, respectively.

Note 11: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	None	\$ 85,142	\$ 66,861	\$ 702,975
2010	None	85,138	83,434	683,420
2009	None	82,564	52,050	679,475

Minimum premium health insurance plan - The School District maintains a minimum premium health insurance program for that portion of healthcare costs not covered by insurance. The Board accounts for the plan in its General Fund. The Board is liable for claims up to \$200,000 per participant. For claims in excess of \$200,000, the Board has purchased insurance coverage. Insurance costs are accrued based upon the aggregate of the liability for reported claims and an actuarially determined estimated liability for claims incurred but not reported. The amount of this liability was \$766,840 as of June 30, 2011.

Changes in the reported liability for the year ended June 30, 2011 resulted from the following:

Balance – Beginning of year	\$ 699,213
Current year claims and changes in estimates	<u>6,439,969</u>
	7,139,182
Less claims payments	<u>6,372,342</u>
Balance – End of year	<u>\$ 766,840</u>

Minimum premium health costs amounted to \$6,439,969 and \$7,123,529 for the years ended June 30, 2011 and 2010 respectively. Deposits held by the health insurance plan at June 30 2011 were \$401,927.

Note 11: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF) public entity risk pool during the fiscal year 2009.

The Fund provides the School District with the following coverage:

Property
 General Liability
 Automobile Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 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 administrators are as follows:

Retirement Annuity Consultants	Equitable Life Assurance Society
Lincoln Investment Planning Inc.	Fidelity Investments
Paul Revere Tax Shelter	Valic
American United Life	AIG

Note 13: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated in accordance with applicable unit agreements. Benefits paid in any future year will be calculated according to formulas outlined

Note 13: COMPENSATED ABSENCES (CONT'D)

in the School Districts' unit agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2011 the liability for compensated absences in the governmental fund was \$2,211,063.

Note 14: INTERFUND BALANCES AND TRANSFERS

Transfers between funds are used to repay expenses paid by another fund. The following interfund balances were recorded on the various balance sheets as June 30, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 3,040,286	
Special Revenue		\$ 2,060,937
Capital Projects		1,390,497
Debt Service	450,369	
Proprietary		39,221
	<u>\$ 3,490,655</u>	<u>\$ 3,490,655</u>

Note 15: PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. As of June 30, 2011, \$9,701,824 of bonds outstanding is considered defeased.

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$505,031 and \$81,711 in the General Fund and Special Revenue Fund respectively as of June 30, 2011 as reported in the fund statements (modified accrual basis). 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 last state aid payment as revenue, for budget purposes only, in the current school budget year. The statute 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 an 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 balance deficit does not alone indicate that the school district is facing financial difficulties.

Note 16: DEFICIT FUND BALANCES (CONT'D)

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 School District deficit in the General and Special Revenue Funds in the GAAP funds statements of \$586,742 is less than the last state aid payments.

Note 17: DEFICIT UNRESTRICTED NET ASSETS

The governmental funds have a deficit in unrestricted net assets of \$1,415,224 as of June 30, 2011. This deficit is due primarily to the timing difference of recording the last state aid payment and the recording of the unpaid compensated absences.

Note 18: 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 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 pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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, 2011 is \$616,869.

For Capital Reserve Account - As of June 30, 2011, the balance in the capital reserve account is \$248,088. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - In the 2011 school year, the School District approved projects for the high school and an elementary school. As of June 30, 2011, the restricted fund balance amount was \$925,092.

Note 18: FUND BALANCES (CONT'D)**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:

General Fund -

Other Purposes - As of June 30, 2011, the School District had \$1,382,581 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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, 2011, (\$505,031) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2011, the fund balance of the special revenue fund was a deficit of \$81,711, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$81,711 is less than the last state aid payment.

Note 19: 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.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 33,285,000	-	\$ 33,285,000	\$ 33,285,000	
Tuition - LEAs w/in state	205,702	-	205,702	78,651	(127,051)
Miscellaneous	88,075	-	88,075	166,561	78,486
Total - Local Sources	33,578,777	-	33,578,777	33,530,212	(48,565)
State Sources:					
Equalization Aid	19,477,826	\$ (841,609)	18,636,217	18,636,217	-
Nonpublic Transportation Aid		-		26,731	26,731
Extraordinary Aid		-		259,722	259,722
Categorical Special Education Aid	1,266,066	841,609	2,107,675	2,107,675	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)		-		80,151	80,151
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)		-		1,702,409	1,702,409
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		2,049,427	2,049,427
Total - State Sources	20,743,892	-	20,743,892	24,862,332	4,118,440
Federal Sources:					
Medicaid Reimbursement	73,707	-	73,707	85,956	12,249
Total - Federal Sources	73,707	-	73,707	85,956	12,249
Total Revenues	54,396,376	-	54,396,376	58,478,500	4,082,124

(Continued)

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool / Kindergarten	\$ 1,052,698	\$ 45,950	\$ 1,098,648	\$ 1,098,309	\$ 339
Grades 1-5	7,068,005	257,276	7,325,281	7,325,281	-
Grades 6-8	3,515,625	12,794	3,528,419	3,524,824	3,595
Grades 9-12	4,955,667	(127,728)	4,827,939	4,826,175	1,764
Regular P Programs - Home Instruction:					
Salaries of Teachers	75,000	20,333	95,333	95,332	1
Purchased Services	90,000	(19,318)	70,682	69,482	1,200
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	260,640	(68,434)	192,206	187,137	5,069
Purchased Professional / Educational Services	20,900	420,963	441,863	434,869	6,994
Other Purchased Services	285,980	12,520	298,500	293,718	4,782
General Supplies	696,000	52,818	748,818	714,495	34,323
Textbooks	211,488	(86,012)	125,476	124,071	1,405
Other Objects	6,000	(3,812)	2,188	2,141	47
Total Regular Programs	18,238,003	517,350	18,755,353	18,695,834	59,519
Special Education - Instruction:					
Cognitive - Moderate					
Salaries of Teachers	250,183	500	250,683	246,291	4,392
Other Salaries for Instruction	86,880	(22,500)	64,380	63,712	668
General Supplies	9,475	(3,007)	6,468	5,307	1,161
Total Cognitive - Moderate	346,538	(25,007)	321,531	315,310	6,221
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	3,438,372	(233,478)	3,204,894	3,204,894	-
Other Salaries for Instruction	434,400	(85,000)	349,400	347,952	1,448
General Supplies	6,100	(771)	5,329	2,018	3,311
Total Learning and Language Disabled	3,878,872	(319,249)	3,559,623	3,554,864	4,759

(Continued)

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Multiple Disabilities					
Salaries of Teachers	194,583	\$ 38,600	\$ 233,183	\$ 233,120	\$ 63
Other Salaries for Instruction	405,440	(152,387)	253,053	253,053	-
General Supplies	800	293	1,093	387	706
Total Multiple Disabilities	<u>600,823</u>	<u>(113,494)</u>	<u>487,329</u>	<u>486,560</u>	<u>769</u>
Special Education - Instruction:					
Behavioral Disabilities					
Salaries of Teachers	140,012	(48,000)	92,012	90,742	1,270
Other Salaries for Instruction	57,920	(17,280)	40,640	40,464	176
General Supplies	1,200	12,151	13,351	8,789	4,562
Miscellaneous Expenditures		500	500	500	-
Total Behavioral Disabilities	<u>199,132</u>	<u>(52,629)</u>	<u>146,503</u>	<u>139,995</u>	<u>6,508</u>
Resource Room / Resource Center:					
General Supplies		1,672	1,672	1,664	8
Total Resource Room / Resource Center	<u>-</u>	<u>1,672</u>	<u>1,672</u>	<u>1,664</u>	<u>8</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	638	136,600	137,238	136,512	726
Other Salaries for Instruction	57,920	49,208	107,128	106,748	380
General Supplies	1,000	(100)	900	-	900
Total Preschool Disabilities - Part Time	<u>59,558</u>	<u>185,708</u>	<u>245,266</u>	<u>243,260</u>	<u>2,006</u>
Total Special Education - Instruction	<u>5,084,923</u>	<u>(322,999)</u>	<u>4,761,924</u>	<u>4,741,653</u>	<u>20,271</u>
Basic Skills / Remedial - Instruction					
Salaries of Teachers	<u>395,566</u>	<u>(7,018)</u>	<u>388,548</u>	<u>388,548</u>	<u>-</u>
Total Basis Skills / Remedial - Instruction	<u>395,566</u>	<u>(7,018)</u>	<u>388,548</u>	<u>388,548</u>	<u>-</u>

(Continued)

Township of Deptford School District
 Required Supplementary Information
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 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 195,133	\$ (23,754)	\$ 171,379	\$ 171,379	-
Total Bilingual Education - Instruction	195,133	(23,754)	171,379	171,379	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	204,992	-	204,992	202,190	\$ 2,802
Purchased Services	7,500	2,324	9,824	8,000	1,824
Supplies and Materials	33,160	(2,437)	30,723	27,888	2,835
Other Objects - Cocurricular	17,500	(8,345)	9,155	8,316	839
Total School Sponsored Cocurricular Activities - Instruction	263,152	(8,458)	254,694	246,394	8,300
6 Total School Sponsored Cocurricular Activities - Instruction					
School Sponsored Athletics - Instruction:					
Salaries	325,968	(20,592)	305,376	305,376	-
Purchased Services	29,000	(29,000)	-	-	-
Supplies and Materials	65,000	(10,282)	54,718	53,567	1,151
Other Objects	32,900	3,933	36,833	33,871	2,962
Total School Sponsored Athletics - Instruction	452,868	(55,941)	396,927	392,814	4,113
Community Services Programs/Operations	75		75		75
Supplies and Materials					
Total Community Service Programs/Operations	75		75		75
Total Instruction	24,629,720	99,180	24,728,900	24,636,622	92,278
					(Continued)

Township of Deptford School District
 Required Supplementary Information
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For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Reg. Day Schools	\$ 2,382,090	\$ (842,204)	\$ 1,539,886	\$ 1,317,886	\$ 222,000
Tuition to Private Schools for the Disabled - Within State	549,173	138,893	688,066	57,726	630,340
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	85,887	65,000	150,887	79,801	71,086
Tuition - State Facilities	30,750	-	30,750	14,336	16,414
Tuition - Other	387,000	259,150	646,150	612,365	33,785
		50,908	50,908		50,908
Total Undistributed Expenditures - Instruction	3,434,900	(328,253)	3,106,647	2,082,114	1,024,533
Attendance and Social Work Services					
Salaries	132,776	(20,235)	112,541	112,541	-
Purchased Professional and Technical Services		-	-	-	-
Total Attendance and Social Work Services	132,776	(20,235)	112,541	112,541	-
Undistributed Expenditures - Health Services:					
Salaries	792,930	(35,193)	757,737	755,960	1,777
Purchased Professional and Technical Services	12,500	4,806	17,306	16,804	502
Other Purchased Services	500	(500)	-	-	-
Supplies and Materials	15,150	1,247	16,397	14,711	1,686
Other Objects	400	(325)	75	75	-
Total Undistributed Expenditures - Health Services	821,480	(29,965)	791,515	787,550	3,965
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	458,366	(28,357)	430,009	430,009	-
Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services	458,366	(28,357)	430,009	430,009	-

(Continued)

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
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For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Other Support Services - Students - Extraordinary:					
Salaries	\$ 289,000	\$ 457,040	\$ 457,040	\$ 457,040	\$ 3,593
Purchased Professional - Educational Services	2,000	44,816	333,816	330,223	1,504
Supplies and Materials		-	2,000	496	
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary	291,000	501,856	792,856	787,759	5,097
Undistributed Expenditures - Other Support Services - Guidance:					
Salaries of Other Professional Staff	765,705	(83,300)	682,405	679,200	3,205
Salaries of Secretarial and Clerical Assistants	94,842	(39,249)	55,593	55,593	-
Supplies and Materials	17,900	(116)	17,784	9,442	8,342
Other Objects	700	-	700	250	450
Total Undistributed Expenditures - Other Support Services - Guidance:	879,147	(122,665)	756,482	744,485	11,997
Undistributed Expenditures - Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	902,832	(105,418)	797,414	797,414	4,258
Salaries of Secretarial and Clerical Assistants	138,099	(13,000)	125,099	120,841	925
Other Salaries		2,000	2,000	1,075	
Purchased Professional - Educational Services		2,250	2,250	2,250	
Residential Costs	97,500	(97,500)	-	-	-
Supplies and Materials	38,000	(2,000)	36,000	31,560	4,440
Other Objects	6,000	-	6,000	2,997	3,003
Total Undistributed Expenditures - Other Support Services - Child Study Teams:	1,182,431	(213,668)	968,763	956,137	12,626

(Continued)

Township of Deptford School District
 Required Supplementary Information
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For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 257,987	\$ 3,000	\$ 260,987	\$ 260,078	\$ 909
Salaries of Other Professional Staff	143,383	(15,338)	128,045	128,045	-
Salaries of Secretarial and Clerical Assistants	57,872	10,000	67,872	67,542	330
Supplies and Materials		4,788	4,788	4,788	-
Total Undistributed Expenditures - Improvement of Instruction Services	459,242	2,450	461,692	460,453	1,239
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	614,503	32,000	646,503	646,319	184
Other Purchased Services	3,000	(1,942)	1,058	400	658
Supplies and Materials	74,000	(2,571)	71,429	69,235	2,194
Total Undistributed Expend. - Educational Media Services / Sch Library	691,503	27,487	718,990	715,954	3,036
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	111,746	(1,000)	110,746	109,655	1,091
Salaries of Secretarial and Clerical Assistance	16,965	1,000	17,965	17,626	339
Other Salaries	140,500	(65,071)	75,429	72,718	2,711
Purchased Professional-Education services	17,400	3,497	20,897	16,265	4,632
Other Purchased Services	13,300	4,194	17,494	13,645	3,849
Other Objects		200	200	178	22
Total Undistributed Expenditures - Instructional Staff Training Services:	299,911	(57,180)	242,731	230,087	12,644
Undistributed Expenditures - Support Services - General Administration:					
Salaries	432,477	(69,257)	363,220	363,220	-
Legal Services	75,000	(6,232)	68,768	63,168	5,600
Audit Fees	37,000	(1,500)	35,500	35,500	-
Other Purchased Professional Services	35,000	(20,532)	14,468	14,428	40
Purchased Technical Services	4,500	4,485	8,985	8,985	-
Communications / Telephone	45,000	21,977	66,977	66,977	-
Misc Other Purchased Services	126,688	(5,099)	121,589	121,229	360
General Supplies	10,000	22	10,022	10,022	-
Miscellaneous Expenditures	20,000	7,455	27,455	27,403	52
BOE Membership Dues and Fees	32,000	(1,670)	30,330	28,503	1,827
Total Undistributed Expenditures - Support Services - General Admin	817,665	(70,351)	747,314	739,435	7,879

(Continued)

Township of Deptford School District
 Required Supplementary Information
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For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	\$ 1,357,577	\$ (55,305)	\$ 1,302,272	1,302,272	-
Salaries of Other Professional Staff	142,290	(23,800)	118,490	118,490	-
Salaries of Secretarial and Clerical Assistants	653,415	(15,702)	637,713	637,713	-
Purchased Professional and Technical Services	500	(500)	-	-	-
Other Purchased Services (400-500 series)	7,500	(7,332)	168	168	-
Supplies and Materials	16,000	(1,867)	14,133	8,912	5,221
Other Objects	25,700	3,364	29,064	26,428	2,636
Total Undistributed Expenditures - Support Services - School Admin.	2,202,982	(101,142)	2,101,840	2,093,983	7,857
Undistributed Expenditures - Central Services					
Salaries	634,079	(89,799)	544,280	544,280	-
Purchased Technical Services	16,400	(3,440)	12,960	12,960	-
Miscellaneous Purchased Services	34,500	(8,400)	26,100	26,100	-
Supplies and Materials	15,000	(348)	14,652	14,180	472
Interest on Current Loans	21,183	(13,154)	8,029	8,029	-
Miscellaneous Expenditures	4,500	(1,399)	3,101	2,548	553
Total Undistributed Expenditures - Central Services	725,662	(116,540)	609,122	608,097	1,025
Undistributed Expenditures - Admin. Info. Technology					
Salaries	381,984	(7,011)	374,973	374,973	-
Purchased Professional Services	150,000	11,341	161,341	161,341	-
Other Purchased Services	106,170	(47,648)	58,522	57,105	1,417
Supplies and Materials	200,000	13,521	213,521	189,624	23,897
Other Objects	5,000	(597)	4,403	3,663	740
Total Undistributed Expenditures - Admin. Info. Technology	843,154	(30,394)	812,760	786,706	26,054
Undistributed Expenditures - Allowable Maintenance for Sch Facilities:					
Salaries	180,000	(32,911)	147,089	145,420	1,669
Cleaning, Repair and Maintenance Services	120,135	(17,309)	102,826	73,042	29,784
General Supplies	28,000	2,806	30,806	17,419	13,387
Total Undistributed Expenditures - Allowable Maintenance for Sch Facilities	328,135	(47,414)	280,721	235,881	44,840

(Continued)

Township of Deptford School District
 Required Supplementary Information
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For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	\$ 2,366,253	\$ (45,321)	\$ 2,320,932	2,320,932	\$ -
Purchased Professional and Technical Services	209,939	-	209,939	209,578	361
Cleaning, Repair and Maintenance Services	396,476	(100,011)	296,465	293,973	2,492
Other Purchased Property Services	72,000	(990)	71,010	67,497	3,513
Insurance	149,620	(6,987)	142,633	142,387	246
Salaries of Non-Instructional Aides	188,591	(1,304)	187,287	181,059	6,228
General Supplies	275,000	102,190	377,190	374,927	2,263
Energy (Heat and Electricity)	1,425,000	(37,266)	1,387,734	1,295,634	92,100
Other Objects	10,800	(3,855)	6,945	6,945	-
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	5,093,679	(93,544)	5,000,135	4,892,932	107,203
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	297,858	4,846	302,704	302,704	-
General Supplies	55,000	(55,000)	-	-	-
Total Undistributed Expenditures - Care & Upkeep Grounds	352,858	(50,154)	302,704	302,704	-
Undistributed Expenditures - Student Transportation Services:					
Salaries for Non-Instructional Aides	194,482	26,000	220,482	211,783	8,699
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,120,717	266,705	1,387,422	1,369,692	17,730
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	390,730	(73,000)	317,730	303,111	14,619
Sal for Pupil Trans (Other than Bet. Home & Sch)	55,000	17,000	72,000	53,873	18,127
Cleaning, Repair and Maintenance Services	64,500	(4,632)	59,868	14,187	45,681
Contracted Services - (Between Home and School) - Vendors	590,000	(5,571)	584,429	365,756	218,673
Contracted Services - (Other than Bet Home & Sch) - Vendors	48,000	75	48,075	48,075	-
Contracted Services - (Between Home and School) - Joint Agreement	180,000	180,000	180,000	163,563	16,437
Contracted Services (Special Education Students) - Joint Agreements	150,810	(180,000)	-	-	-
Contracted Services - Aid in Lieu of Payments - NonPub Sch	-	-	150,810	122,257	28,553
Contracted Services - Aid in Lieu of Payments	-	-	-	-	-
Miscellaneous Purchased Services - Transportation	68,608	-	68,608	60,102	8,506
General Supplies	350,000	91,380	441,380	393,556	47,824
Other Objects	10,500	-	10,500	8,725	1,775
Total Undistributed Expenditures - Student Transportation Services	3,223,347	317,957	3,541,304	3,114,680	426,624

(Continued)

Township of Deptford School District
 Required Supplementary Information
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 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 655,000	\$ 193,532	\$ 848,532	\$ 844,257	\$ 4,275
Other Retirement Contributions - Regular	690,000	364,919	1,054,919	1,054,919	-
Workman's Compensation	285,980	18,867	304,847	304,847	-
Health Benefits	7,112,000	(779,744)	6,332,256	6,329,725	2,531
Tuition Reimbursement	46,000	7,225	53,225	53,225	-
Other Employee Benefits	173,108	490,570	663,678	663,678	-
Total Unallocated Benefits	8,962,088	295,369	9,257,457	9,250,651	6,806
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				80,151	(80,151)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,049,427	(2,049,427)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				1,702,409	(1,702,409)
Total On-behalf Contributions	-	-	-	3,831,987	(3,831,987)
Total Undistributed Expenditures	31,200,326	(164,743)	31,035,583	33,164,145	(2,128,562)
Total Current Expense	55,830,046	(65,563)	55,764,483	57,800,767	(2,036,284)

(Continued)

Township of Deptford School District
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 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Capital Outlay:					
Equipment:					
Grades 1-5		\$ 5,300	\$ 5,300	5,300	-
Grades 9-12		3,533	3,533	3,533	-
School-Sponsored and Other Instructional Programs		199,858	199,858	199,858	-
Undistributed Expenditures:					
Central Services		8,247	8,247	8,247	-
Admin Info Tech	\$ 5,000	53,078	58,078	46,844	\$ 11,234
Operation and Maintenance of Plant	5,900	13,606	19,506	19,446	60
Custodial Services		1,204	1,204	1,204	-
School Bus - Special	51,000	(51,000)	-	-	1,204
Non-Instructional Services		1,283	1,283	-	1,283
Total Equipment	61,900	235,109	297,009	283,228	13,781
Facilities Acquisition and Construction Services					
Other Purchased Professional / Technical Services		509,458	509,458	216,160	293,298
Construction Services		1,819,597	1,819,597	410,595	1,409,002
Supplies and Materials		2,400	2,400	2,400	-
Lease Purchase Payment - Principal	140,793	(59,234)	81,559	81,559	-
Other Objects	120,133	9,059	129,192	120,133	9,059
Total Facilities Acquisition and Construction Services	260,926	2,281,280	2,542,206	830,847	1,711,359
Total Capital Outlay	322,826	2,516,389	2,839,215	1,114,075	1,725,140

(Continued)

Township of Deptford School District
 Required Supplementary Information
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For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Special Schools					
Summer School - Instruction					
Salaries of Teachers	\$ 19,000	\$ 35,338	\$ 54,338	\$ 18,650	\$ 35,688
Total Summer School - Instruction	19,000	35,338	54,338	18,650	35,688
Total Special Schools:	19,000	35,338	54,338	18,650	35,688
Transfer of Funds to Charter Schools	8,588	(8,588)	-	-	-
Total Expenditures	56,180,460	2,477,576	58,658,036	58,933,492	(275,456)

Township of Deptford School District
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For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
	(1,784,084)	(2,477,576)	(4,261,660)	(454,992)	3,806,668
Other Financing Sources (Uses):					
Operating Transfer Out - Food Service	(320,000)	320,000	-	-	-
Operating Transfer In - Capital Projects					
Capital Leases					
Total Other Financing Sources (Uses)	(320,000)	320,000	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,104,084)	(2,157,576)	(4,261,660)	(454,992)	3,806,668
Fund Balances, July 1	5,591,013	-	5,591,013	5,591,013	-
Fund Balances, June 30	\$ 3,486,929	\$ (2,157,576)	\$ 1,329,353	\$ 5,136,021	\$ 3,806,668

Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures
 Excess (Deficiency) of Revenues Over (Under) Expenditures

Other Financing Sources (Uses):
 Operating Transfer Out - Food Service
 Operating Transfer In - Capital Projects
 Capital Leases

Total Other Financing Sources (Uses)
 Excess (Deficiency) of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses

Fund Balances, July 1
 Fund Balances, June 30

Recapitulation:
 Restricted:
 Capital Reserve
 Excess Surplus
 Assigned:
 Year-End Encumbrances
 Designated for Subsequent Year's Expenditures
 Unassigned

Reconciliation to Governmental Funds Statements (GAAP):
 Last 10-11 State Aid Payment Not Recognized on GAAP Basis

\$	248,088
	616,869
	1,382,581
	1,500,000
	1,388,483
	5,136,021
	(1,893,514)
\$	3,242,507

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2011

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative Final to Actual)
State Sources:					
NJ Non-Public Nursing	\$ 12,000	\$ 3,491	\$ 15,491	\$ 13,201	\$ (2,290)
NJ Non-Public Textbook Aid	12,000	1,073	13,073	12,922	(151)
Chapter 192 - Auxiliary Services	118,000	48,393	166,393	108,589	(57,804)
Chapter 193 - Handicapped Services	80,000	27,249	107,249	57,985	(49,264)
Early Childhood Program Aid	817,113		817,113	817,113	-
IDEAL		2,279	2,279	2,279	-
Include	-	65,829	65,829	54,193	(11,636)
NJ Center Learn and Math		13,737	13,737	8,263	(5,474)
Home Instruction		1,291	1,291	-	(1,291)
Other State Grant	200,000	(200,000)	-	-	-
Total - State Sources	1,239,113	(36,658)	1,202,455	1,074,545	(127,910)
Federal Sources:					
Title I	442,998	181,654	624,652	427,825	(196,827)
ARRA - Title I		17,706	17,706	11,822	(5,884)
Title I S/A		3,152	3,152	1,045	(2,107)
Title I/A	105,223	135,325	240,548	100,776	(139,772)
Title II D		2,378	2,378	1,463	(915)
Title III		31,736	31,736	23,716	(8,020)
Title IV	13,959	11,453	25,412	880	(24,532)
Title V	14,539		14,539	-	(14,539)
I.D.E.I.A., Part B	973,892	719,564	1,693,456	1,521,612	(171,844)
I.D.E.I.A., Part B, Preschool Incentive	32,636	12,535	45,171	38,213	(6,958)
ARRA - I.D.E.I.A., Part B	541,739	(72,497)	469,242	466,346	(2,896)
ARRA - I.D.E.I.A., Part B, Preschool Incentive	19,528	1,628	21,156	5,325	(15,831)
Include		234,962	234,962	188,885	(46,077)
NUROTC		2,419	2,419	2,419	-
Total - Federal Sources	2,144,514	1,282,015	3,426,529	2,790,327	(636,202)
Total Revenues	3,383,627	1,245,357	4,628,984	3,864,872	(764,112)

(Continued)

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative Final to Actual)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,615,783	\$ (561,644)	\$ 1,054,139	\$ 940,165	\$ 113,974
Other Salaries for Instruction		155,120	155,120	145,532	9,588
Purchased Professional and Technical Services	942,909	(756,530)	186,379	88,114	98,265
Other Purchased Services	395,587	1,389,205	1,784,792	1,729,640	55,152
General Supplies	13,959	251,236	265,195	152,972	112,223
Tuition				-	-
Textbooks	12,000	2,893	14,893	26,023	(11,130)
Total Instruction	2,980,238	480,280	3,460,518	3,082,446	378,072
Support Services:					
Salaries Personal Services	90,682	363,241	453,923	229,554	224,369
Personal Services - Employee Benefits	102,707	117,018	219,725	181,479	38,246
Purchased Professional - Educational Services	210,000	218,621	428,621	331,132	97,489
Purchased Technical Services	-	147	147	-	147
Other Purchased Services (400-500 series)		42,968	42,968	26,905	16,063
Supplies and Materials		19,837	19,837	8,996	10,841
Other Objects		595	595	1,710	(1,115)
Total Support Services	403,389	762,427	1,165,816	779,776	386,040
Facilities Acquisition and Construction Services:					
Instructional Equipment		2,650	2,650	2,650	
Total Facilities Acquisition and Construction Services		2,650	2,650	2,650	
Total Expenditures	3,383,627	1,245,357	4,628,984	3,864,872	764,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Township of Deptford School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2011

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 58,478,500	\$ 3,864,872
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(123,865)
Prior Year		657
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	2,146,613	86,955
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,893,514)	(81,711)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 58,731,599	\$ 3,746,908
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 58,933,492	\$ 3,864,872
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(123,865)
Prior Year		657
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 58,933,492	\$ 3,741,664

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

Township of Deptford School District
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Chapter 192				Chapter 193				Total Carried Forward	
	Nonpublic Compensatory Education	Nonpublic E.S.L.	Nonpublic Transportation	Nonpublic C.S.T. Evaluation	Nonpublic Examination and Classification	Nonpublic Corrective Speech	Nonpublic Supplementary Instruction	Nonpublic Textbooks		Nonpublic Nursing
REVENUES:										
Federal Sources	\$ 2,790,327									\$ 2,790,327
State Sources	1,074,545	1,708	41,574	11,156	5,114	31,293	10,422	12,922	13,201	881,848
Total Revenues	\$ 3,864,872	\$ 1,708	\$ 41,574	\$ 11,156	\$ 5,114	\$ 31,293	\$ 10,422	\$ 12,922	\$ 13,201	\$ 3,872,175
EXPENDITURES:										
Instruction:										
Salaries of Teachers	\$ 940,165									\$ 940,165
Other Salaries for Instruction	145,532									145,532
Purchased Professional and Technical Services	88,114	1,708	41,574							44,832
Other Purchased Services	1,729,640									1,729,640
General Supplies	152,972									152,972
Tuition										-
Textbooks	26,023							12,922		13,101
Total Instruction	3,082,446	1,708	41,574	-	-	-	-	12,922	-	3,026,242
Support Services:										
Salaries Personal Services	229,554									229,554
Personal Services - Employee Benefits	181,479									181,479
Purchased Professional - Educational Services	331,132									194,639
Purchased Technical Services										-
Other Purchased Services (400-500 series)	26,905									26,905
Supplies and Materials	8,996									8,996
Other Objects	1,710									1,710
Total Support Services	779,776	-	-	11,156.00	5,114	31,293	10,422	-	13,201	643,283
Facilities Acquisition and Construction Services:										
Instructional Equipment	2,650									2,650
Total Facilities Acquisition and Construction Services	2,650	-	-	-	-	-	-	-	-	2,650
Total Expenditures	\$ 3,864,872	\$ 1,708	\$ 41,574	\$ 11,156	\$ 5,114	\$ 31,293	\$ 10,422	\$ 12,922	\$ 13,201	\$ 3,872,175

(Continued)

Township of Deptford School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	Preschool Education Aid	Include Grant	IDEAL Grant C/O	NJ Center Teach/Learn Math Grant	Total Brought Forward
REVENUES:						
Federal Sources	\$ 2,790,327		\$ 188,885			\$ 2,601,442
State Sources	881,848	\$ 817,113	54,193	\$ 2,279	\$ 8,263	-
Total Revenues	<u>\$ 3,672,175</u>	<u>\$ 817,113</u>	<u>\$ 243,078</u>	<u>\$ 2,279</u>	<u>\$ 8,263</u>	<u>\$ 2,601,442</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$ 940,165		\$ 43,408			\$ 320,408
Other Salaries for Instruction	145,532	\$ 576,349				732
Purchased Professional and Technical Services	44,832	144,800				44,832
Other Purchased Services	1,729,640				\$ 128	1,729,512
General Supplies	152,972		73,183	\$ 2,279		77,510
Tuition	-					
Textbooks	13,101.00					13,101
Total Instruction	<u>3,026,242</u>	<u>721,149</u>	<u>116,591</u>	<u>2,279</u>	<u>128</u>	<u>2,186,095</u>
Support Services:						
Salaries Personal Services	229,554		29,755		3,570	196,229
Personal Services - Employee Benefits	181,479	95,964	2,920			82,595
Purchased Professional - Educational Services	194,639		66,800			127,839
Purchased Technical Services	-					-
Other Purchased Services (400-500 series)	26,905		23,128			3,777
Supplies and Materials	8,996		1,234		4,565	3,197
Other Objects	1,710					1,710
Total Support Services	<u>643,283</u>	<u>95,964</u>	<u>123,837</u>		<u>8,135</u>	<u>415,347</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment	2,650		2,650			
Total Facilities Acquisition and Construction Services	<u>2,650</u>	<u>-</u>	<u>2,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 3,672,175</u>	<u>\$ 817,113</u>	<u>\$ 243,078</u>	<u>\$ 2,279</u>	<u>\$ 8,263</u>	<u>\$ 2,601,442</u>

(Continued)

Township of Deptford School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	Title I Part A	ARRA - Title I	Title I Part A SIA C/O	Title II Part A	Title II Part D	Title IV	Total Brought Forward
REVENUES:								
Federal Sources	\$ 2,601,442	\$ 427,825	\$ 11,822	\$ 1,045	\$ 100,776	\$ 1,463	\$ 880	\$ 2,057,631
Slate Sources	-							
Total Revenues	<u>\$ 2,601,442</u>	<u>\$ 427,825</u>	<u>\$ 11,822</u>	<u>\$ 1,045</u>	<u>\$ 100,776</u>	<u>\$ 1,463</u>	<u>\$ 880</u>	<u>\$ 2,057,631</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 320,408	\$ 268,115				\$ 349	\$ 880	\$ 47,873
Other Salaries for Instruction	732							732
Purchased Professional and Technical Services	44,832			\$ 1,045	43,787			-
Other Purchased Services	1,729,512							1,729,512
General Supplies	77,510	\$ 64,760	\$ 317					12,433
Tuition								-
Textbooks	13,101							-
Total Instruction	<u>2,186,095</u>	<u>345,976</u>	<u>317</u>	<u>1,045</u>	<u>46,978</u>	<u>349</u>	<u>880</u>	<u>1,790,550</u>
Support Services:								
Salaries Personal Services	196,229	29,887	10,251		45,429	1,010		109,652
Personal Services - Employee Benefits	82,595	48,835	1,254		3,469.00	104		28,933
Purchased Professional - Educational Services	127,839	250			4,000			123,589
Purchased Technical Services								-
Other Purchased Services (400-500 series)	3,777	2,877			900			-
Supplies and Materials	3,197							3,197
Other Objects	1,710							1,710
Total Support Services	<u>415,347</u>	<u>81,849</u>	<u>11,505</u>		<u>53,798</u>	<u>1,114</u>		<u>267,081</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Total Facilities Acquisition and Construction Services								
Total Expenditures	<u>\$ 2,601,442</u>	<u>\$ 427,825</u>	<u>\$ 11,822</u>	<u>\$ 1,045</u>	<u>\$ 100,776</u>	<u>\$ 1,463</u>	<u>\$ 880</u>	<u>\$ 2,057,631</u>

(Continued)

Township of Deptford School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

		Title III	I.D.E.I.A. Part B Basic	I.D.E.I.A. Part B Preschool	ARRA I.D.E.I.A. Part B Basic	ARRA I.D.E.I.A. Part B Preschool	Naval Junior ROTC
REVENUES:							
Federal Sources	\$ 2,057,631	\$ 23,716	\$ 1,521,612	\$ 38,213	\$ 466,346	\$ 5,325	\$ 2,419
State Sources	-						
Total Revenues	<u>\$ 2,057,631</u>	<u>\$ 23,716</u>	<u>\$ 1,521,612</u>	<u>\$ 38,213</u>	<u>\$ 466,346</u>	<u>\$ 5,325</u>	<u>\$ 2,419</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 47,873	\$ 20,404	\$ 2,730		\$ 24,739		
Other Salaries for Instruction	732		732				
Purchased Professional and Technical Services	1,729,512		1,447,086	\$ 38,213	244,213		
Other Purchased Services	12,433	737	7,022			\$ 3,965	\$ 709
General Supplies							
Tuition							
Textbooks							
Total Instruction	<u>1,790,550</u>	<u>21,141</u>	<u>1,457,570</u>	<u>38,213.00</u>	<u>268,952</u>	<u>3,965</u>	<u>709</u>
Support Services:							
Salaries Personal Services	109,652		270				
Personal Services - Employee Benefits	28,933	2,575	286		108,022	1,360	
Purchased Professional - Educational Services	123,589		60,289		26,072		
Purchased Technical Services					63,300		
Other Purchased Services (400-500 series)			3,197				
Supplies and Materials	3,197						
Other Objects	<u>1,710</u>						<u>1,710</u>
Total Support Services	<u>267,081</u>	<u>2,575</u>	<u>64,042</u>		<u>197,394</u>	<u>1,360</u>	<u>1,710</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services		-	-				
Total Expenditures	<u>\$ 2,057,631</u>	<u>\$ 23,716</u>	<u>\$ 1,521,612</u>	<u>\$ 38,213</u>	<u>466,346.00</u>	<u>5,325.00</u>	<u>\$ 2,419</u>

Township of Deptford School District
Special Revenue Fund
Statement of Preschool Education Aid - Budgetary Basis
Year Ended June 30, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction			
Salaries of teachers	\$ 576,349	\$ 576,349	
Other salaries for instruction	144,800	144,800	
Purchased Professional and Technical Services			
Supplies			
Textbooks			
	<hr/>	<hr/>	<hr/>
Total instruction	<u>721,149</u>	<u>721,149</u>	<u>-</u>
Support services			
Salaries Personal Services			
Personal Services - Employee Benefits	95,964	95,964	
Purchased Professional - Educational Services			
Other Purchased Services (400-500 series)			
Other Objects			
	<hr/>	<hr/>	<hr/>
Total support services	<u>95,964</u>	<u>95,964</u>	<u>-</u>
Total expenditures	<u>\$ 817,113</u>	<u>\$ 817,113</u>	<u>\$ -</u>

Calculation of Budget and Carryover

2010-11 Revised Preschool Education Aid Allocation	\$ 817,113
Add: Actual ECPA Carryover (June 30, 2010)	<hr/> -
Total Preschool Education Aid Funds Available for 2010-11 Budget	817,113
Less: 2010-11 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<hr/> (817,113)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2010	-
Add: 2010-11 Unexpended Preschool Education Aid	<hr/> -
2010-11 Preschool Education Aid Actual Carryover	<hr/> <u>\$ -</u>

CAPITAL PROJECTS FUND

Township of Deptford School District
CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

<u>Project Title / Issue</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2011</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Educational Facilities Construction and Financing Act, Section 15 Grant				
HVAC renovations to Oak Valley School			\$ 1,179,740	-
HVAC renovations to Oak Valley School, Pine Acres School and Good Intent School	\$ 1,179,740		112,543	\$ 523,066
HVAC renovations to Shady Lane School	635,609		98,215	402,026
HVAC renovations to High School	500,241			
Total	\$ 2,315,590	\$ -	\$ 1,390,498	\$ 925,092
Reserve for Encumbrances				\$ 850,380
Unreserved -- Designated for Subsequent Years Expenditures				74,712
				\$ 925,092

Township of Deptford School District
CAPITAL PROJECTS FUND

Summmary Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources

State Sources - EDA grant	\$ 1,214,989
Total Revenues	1,214,989

Expenditures and Other Financing Uses

Purchased and Professional and Technical Services	156,138
Construction Services	1,234,360
Total Expenditures	1,390,498

Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,509)
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Fund Balance - July 1	1,100,601
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Fund Balance - June 30	\$ 925,092
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Township of Deptford School District
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Renovations of HVAC - District
 For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 1,100,601	\$ 79,139	\$ 1,179,740	\$ 1,179,740
Total Revenues	1,100,601	79,139	1,179,740	1,179,740
Expenditures and Other Financing Uses				
Purchased and Professional and Technical Services		128,000	128,000	128,000
Construction Services		1,051,740	1,051,740	1,051,740
Total Expenditures	-	1,179,740	1,179,740	1,179,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,100,601	\$ (1,100,601)	\$ -	\$ -
Additional Project Information:				
Project Number	1100-090-09-1004			
	1100-120-09-1001			
	1100-130-09-1002			
Grant Date	August 14, 2009			
Original Authorized Cost	\$ 1,179,740			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,179,740			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	September 1, 2010			
Revised Target Completion Date	N/A			

Township of Deptford School District
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Renovations of HVAC - Pine Acres School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 156,480	\$ 19,150	\$ 175,630	\$ 175,630
Total Revenues	<u>156,480</u>	<u>19,150</u>	<u>175,630</u>	<u>175,630</u>
Expenditures and Other Financing Uses				
Purchased and Professional and Technical Services		27,000	27,000	27,000
Construction Services	-	148,630	148,630	148,630
Total Expenditures	<u>-</u>	<u>175,630</u>	<u>175,630</u>	<u>175,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 156,480</u>	<u>\$ (156,480)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	1100-130-09-1002			
Grant Date	August 14, 2009			
Original Authorized Cost	\$ 175,630			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 175,630			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	September 1, 2010			
Revised Target Completion Date	N/A			

Township of Deptford School District
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Renovations of HVAC - Oak Valley School
For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 490,176	\$ 59,989	\$ 550,165	\$ 550,165
Total Revenues	<u>490,176</u>	<u>59,989</u>	<u>550,165</u>	<u>550,165</u>
Expenditures and Other Financing Uses				
Purchased and Professional and Technical Services		33,000	33,000	33,000
Construction Services	-	517,165	517,165	517,165
Total Expenditures	<u>-</u>	<u>550,165</u>	<u>550,165</u>	<u>550,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 490,176</u>	<u>\$ (490,176)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	1100-120-09-1001			
Grant Date	August 14, 2009			
Original Authorized Cost	\$ 550,165			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 550,165			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	September 1, 2010			
Revised Target Completion Date	N/A			

Township of Deptford School District
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Renovations of HVAC - Good Intent School
 For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 453,945	_____	\$ 453,945	\$ 453,945
Total Revenues	453,945	-	453,945	453,945
Expenditures and Other Financing Uses				
Purchased and Professional and Technical Services		\$ 68,000	68,000	68,000
Construction Services	-	385,945	385,945	385,945
Total Expenditures	-	453,945	453,945	453,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 453,945	\$ (453,945)	\$ -	\$ -
Additional Project Information:				
Project Number	1100-090-09-1004			
Grant Date	August 14, 2009			
Original Authorized Cost	\$ 453,945			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 453,945			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	September 1, 2010			
Revised Target Completion Date	N/A			

Township of Deptford School District
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Renovations of HVAC - Shady Lane School
 For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	_____	\$ 635,609	\$ 635,609	\$ 635,609
Total Revenues	_____ -	_____ 635,609	_____ 635,609	_____ 635,609
Expenditures and Other Financing Uses				
Purchased and Professional and Technical Services	_____	21,233	21,233	21,233
Construction Services	_____	91,310	91,310	614,376
Total Expenditures	_____ -	_____ 112,543	_____ 112,543	_____ 635,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 523,066	\$ 523,066	\$ -

Additional Project Information:

Project Number	1100-140-09-1003
Grant Date	October 8, 2010
Original Authorized Cost	\$ 635,609
Additional Authorized Cost	-
Revised Authorized Cost	\$ 635,609
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	17.71%
Original Target Completion Date	November 15, 2011
Revised Target Completion Date	N/A

Township of Deptford School District
CAPITAL PROJECTS FUND
 Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Renovations of HVAC - High School
 For the Fiscal Year Ended June 30, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	-	\$ 500,241	\$ 500,241	\$ 500,241
Total Revenues	-	500,241	500,241	500,241
Expenditures and Other Financing Uses				
Purchased and Professional and Technical Services	-	6,905	6,905	16,155
Construction Services	-	91,310	91,310	484,086
Total Expenditures	-	98,215	98,215	500,241
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 402,026	\$ 402,026	\$ -

Additional Project Information:

Project Number	1100-040-10-1003
Grant Date	December 23, 2010
Original Authorized Cost	\$ 500,241
Additional Authorized Cost	-
Revised Authorized Cost	\$ 500,241
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	19.63%
Original Target Completion Date	November 15, 2011
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

Township of Deptford School District
Enterprise Fund
Combining Statement of Net Assets
June 30, 2011

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 177,733
Accounts Receivable:	
State	3,067
Federal	119,744
Other	2,001
Inventories	10,721
Total Current Assets	313,266
Noncurrent Assets:	
Furniture, Machinery and Equipment	496,633
Less Accumulated Depreciation	(371,023)
Total Noncurrent Assets	125,610
Total Assets	\$ 438,876
LIABILITIES:	
Current Liabilities:	
Interfund Payable	\$ 39,221
Accounts Payable	20,549
Total Current Liabilities	59,770
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	125,610
Unrestricted Net Assets	253,496
Total Net Assets	379,106
	\$ 438,876

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

Township of Deptford School District
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 492,712
Daily Sales - Non-Reimbursable Programs	<u>231,774</u>
Total Operating Revenues	<u>724,486</u>
OPERATING EXPENSES:	
Salaries	732,481
Employee Benefits	104,461
Supplies and Materials	58,111
Cost of Sales	508,154
Management Fee	11,949
Dues and Subscriptions	760
Office and Uniform Expense	4,169
Repairs and Maintenance	19,830
Bank Charges	4,405
Credit Card Fees	1,721
Depreciation	<u>27,935</u>
Total Operating Expenses	<u>1,473,976</u>
Operating Income / (Loss)	<u>(749,490)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	17,066
Federal Sources:	
Special Milk Program	4,160
National School Breakfast Program	136,175
National School Lunch Program	546,495
United States Department of Agriculture Commodities	97,918
Interest and Investment Revenue	<u>110</u>
Total Nonoperating Revenues	<u>801,924</u>
Change in Net Assets	52,434
Net Assets -- July 1	<u>326,672</u>
Net Assets -- June 30	<u><u>\$ 379,106</u></u>

Township of Deptford School District
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 724,486
Payments to Employees	(732,481)
Payments for Employee Benefits	(104,461)
Payments to Suppliers	<u>(544,874)</u>
Net Cash Provided by (used for) Operating Activities	<u>(657,330)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from State and Federal Reimbursements	<u>638,374</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>638,374</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(1,611)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(1,611)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>110</u>
Net Cash Provided by (used for) Investing Activities	<u>110</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(20,457)
Cash and Cash Equivalents -- July 1	<u>198,190</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 177,733</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (749,490)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	27,935
Federal Commodities	97,918
(Increase) Decrease in Inventories	(2,833)
Increase (Decrease) in Other Current Liabilities	<u>(30,860)</u>
Total Adjustments	<u>92,160</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (657,330)</u></u>

FIDUCIARY FUNDS

Township of Deptford School District
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Trust Funds			Agency Funds		
	<u>New Jersey Unemployment Compensation</u>	<u>Private Purpose Trust</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 702,975	\$ 57,550	\$ 760,525	\$ 276,149	\$ 612,086	\$ 888,235
Total Assets	<u>702,975</u>	<u>57,550</u>	<u>\$ 760,525</u>	<u>\$ 276,149</u>	<u>\$ 612,086</u>	<u>\$ 888,235</u>
LIABILITIES:						
Net Payroll - Summer Salary Payable to Student Groups				\$ 276,149	\$ 612,086	\$ 612,086 276,149
Total Liabilities				<u>\$ 276,149</u>	<u>\$ 612,086</u>	<u>888,235</u>
NET ASSETS:						
Unreserved	<u>\$ 702,975</u>	<u>\$ 57,550</u>	<u>\$ 760,525</u>			

Township of Deptford School District
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Assets
 For the Fiscal Year Ended June 30, 2011

	New Jersey Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 85,142	
Gifts and Contributions		\$ 375
	<u>85,142</u>	<u>375</u>
Investment Earnings:		
Interest on Investments	<u>1,274</u>	
Net Investment Earnings	<u>1,274</u>	
Total Additions	<u>86,416</u>	<u>375</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	66,861	
Scholarships Awarded		4,200
	<u>66,861</u>	<u>4,200</u>
Total Deductions	<u>66,861</u>	<u>4,200</u>
Change in Net Assets	19,555	(3,825)
Net Assets -- July 1	<u>683,420</u>	<u>61,375</u>
Net Assets -- June 30	<u>\$ 702,975</u>	<u>\$ 57,550</u>

Township of Deptford School District
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	<u>Balance June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Total All Schools	<u>\$ 246,993</u>	<u>\$ 474,967</u>	<u>\$ 445,812</u>	<u>\$ 276,148</u>

Township of Deptford School District
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents	\$ 586,452	\$ 21,226,877	\$ 21,201,243	\$ 612,086
Total Assets	<u>\$ 586,452</u>	<u>\$ 21,226,877</u>	<u>\$ 21,201,243</u>	<u>\$ 612,086</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 586,452	\$ 21,226,877	\$ 21,201,243	\$ 612,086
Total Liabilities	<u>\$ 586,452</u>	<u>\$ 21,226,877</u>	<u>\$ 21,201,243</u>	<u>\$ 612,086</u>

LONG-TERM DEBT

Township of Deptford School District
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011
			Date	Amount					
School Repairs and Equipment	2/7/02	\$ 18,175,000	2/1/12	\$ 885,000	4.600%	\$ 3,465,000		\$ 850,000	\$ 2,615,000
			2/1/13	925,000	4.600%				
			2/1/14	805,000	4.600%				
Refunding of Bonds 2002	2/16/06	10,000,000	2/1/12	40,000	3.400%	9,965,000		35,000	9,930,000
			2/1/13	40,000	3.500%				
			2/1/14	205,000	3.500%				
			2/1/15	1,050,000	4.000%				
			2/1/16	1,100,000	4.000%				
			2/1/17	1,140,000	4.000%				
			2/1/18	1,185,000	4.000%				
			2/1/19	1,225,000	4.000%				
			2/1/20	1,275,000	4.000%				
			2/1/21	1,325,000	4.000%				
			2/1/22	1,345,000	4.000%				
						\$ 13,430,000	\$ -	\$ 885,000	\$ 12,545,000

Township of Deptford School District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,405,650		\$ 1,405,650	\$ 1,405,650	
State Sources:					
Debt Service Aid Type II					
Total Revenues	1,405,650		1,405,650	1,405,650	
EXPENDITURES:					
Regular Debt Service:					
Principal Payments - Comm Approved Lease Purch Agrm.				557,380	
Interest for Commissioner Approved Lease Purch Agrm.	557,380		557,380	557,380	
Interest on Bonds	885,000		885,000	885,000	
Redemption of Principal					
Total Regular Debt Service	1,442,380		1,442,380	1,442,380	
Total Expenditures	1,442,380		1,442,380	1,442,380	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,730)		(36,730)	(36,730)	
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(36,730)	-	(36,730)	(36,730)	-
Fund Balance, July 1	487,099	-	487,099	487,099	-
Fund Balance, June 30	\$ 450,369	\$ -	\$ 450,369	\$ 450,369	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ 450,369	\$ 450,369	\$ -

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1 , J-2 and J-3 are only presented for the last nine fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2003; thus, ten year comparative financial information is unavailable.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Net Assets by Component
 Last Nine Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 24,405,478	\$ 23,711,568	\$ 23,637,524	\$ 23,380,040	\$ 23,781,593	\$ 23,936,201	\$ 23,576,864	\$ 22,081,182	\$ 12,429,421
Restricted	3,740,418	6,146,861	6,593,681	4,790,791	4,909,870	4,272,968	3,439,300	4,424,935	8,672,485
Unrestricted	(1,415,224)	(3,295,015)	(2,477,153)	(2,504,515)	(1,941,676)	(2,235,768)	(1,185,347)	(1,254,368)	(355,565)
Total Governmental Activities Net Assets	\$ 26,730,672	\$ 26,563,414	\$ 27,754,052	\$ 25,666,316	\$ 26,749,787	\$ 25,973,391	\$ 25,830,817	\$ 25,251,749	\$ 20,746,341
Business-type Activities									
Invested in Capital Assets, Net of Related Debt	\$ 125,610	\$ 151,934	\$ 172,171	\$ 184,662	\$ 192,030	\$ 175,855	\$ 146,821	\$ 116,138	\$ 129,558
Restricted	253,496	174,738	107,565	100,362	87,071	34,248	86,569	138,704	140,842
Unrestricted									
Total Business-type Activities Net Assets	\$ 379,106	\$ 326,672	\$ 279,736	\$ 285,024	\$ 279,101	\$ 210,103	\$ 233,390	\$ 254,842	\$ 270,400
District-wide									
Invested in Capital Assets, Net of Related Debt	\$ \$ 24,531,088	\$ 23,863,502	\$ 23,809,695	\$ 23,564,702	\$ 23,973,623	\$ 24,112,056	\$ 23,723,685	\$ 22,197,320	\$ 12,558,979
Restricted	3,740,418	6,146,861	6,593,681	4,790,791	4,909,870	4,272,968	3,439,300	4,424,935	8,672,485
Unrestricted	(1,161,728)	(3,120,277)	(2,369,588)	(2,404,153)	(1,854,605)	(2,201,520)	(1,098,778)	(1,115,664)	(214,723)
Total District-wide Net Assets	\$ \$ 27,109,778	\$ 26,890,086	\$ 28,033,788	\$ 25,951,340	\$ 27,028,888	\$ 26,183,494	\$ 26,064,207	\$ 25,506,591	\$ 21,016,741

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Changes in Net Assets
Last Nine Fiscal Years (accrual basis of accounting)
Unaudited

Fiscal Year Ending June 30,

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 27,640,288	\$ 23,734,807	\$ 23,571,594	\$ 22,252,915	\$ 20,657,420	\$ 22,688,522	\$ 22,073,459	\$ 20,269,251	\$ 18,384,139
Special Education	6,789,396	9,436,835	9,046,855	10,603,819	9,409,811	6,102,071	5,478,286	4,259,421	3,610,508
Other Special Education	1,712,393	2,313,321	1,469,102	3,017,247	2,762,730	1,361,572	1,110,664	1,012,656	897,409
Support Services:									
Tuition	2,082,114	2,791,314	2,755,249	2,783,508	2,190,458	1,738,457	1,419,140	2,139,745	1,398,424
Student & Instruction Related Services	9,572,672	7,551,312	7,208,303	6,406,410	5,530,869	5,270,490	4,947,008	4,645,653	4,550,111
General Administrative Services	851,976	1,043,778	999,160	1,175,881	1,020,087	1,206,493	1,099,111	1,063,149	1,043,665
School Administrative Services	4,905,768	2,848,685	2,603,159	2,618,282	2,420,886	3,227,977	2,331,533	1,992,793	2,150,811
Central Services		934,993	878,881	869,697	879,041	878,041	891,976		
Administrative Information Technology		1,628,658	1,083,446	980,199	900,927	822,826	674,187		
Plant Operations and Maintenance	7,637,548	7,090,192	6,402,898	6,596,013	6,350,209	5,748,000	5,644,791	4,973,790	4,084,577
Pupil Transportation	3,114,680	4,069,573	3,847,460	4,811,445	5,004,407	4,438,501	4,424,822	4,022,746	3,702,979
Business and Other Support Services						4,563		1,245,109	925,799
Special Schools					14,205	13,700	6,827		
Interest on Long-Term Debt	625,053	664,383	701,415	744,807	940,985	887,495	847,171	891,213	917,604
Total Governmental Activities Expenses	64,931,888	64,107,851	60,527,522	62,860,223	58,082,322	54,388,708	50,948,975	46,525,319	41,666,026
Business-type Activities:									
Food Service	1,473,976	1,775,291	1,740,061	1,775,131	1,716,204	1,681,779	1,530,601	1,356,986	1,307,982
Total Business-type Activities Expense	1,473,976	1,775,291	1,740,061	1,775,131	1,716,204	1,681,779	1,530,601	1,356,986	1,307,982
Total District Expenses	\$ 66,405,864	\$ 65,883,142	\$ 62,267,583	\$ 64,635,354	\$ 59,798,526	\$ 56,070,487	\$ 52,479,576	\$ 47,882,305	\$ 42,974,008
Program Revenues									
Governmental Activities:									
Charges for Services:									
Instruction (tuition)	\$ 78,651	\$ 184,978	\$ 179,860	\$ 236,957	\$ 403,295	\$ 313,240	\$ 294,695	\$ 408,119	\$ 345,571
Operating Grants and Contributions	3,746,908	2,999,205	3,128,159	3,946,838	3,955,996	3,957,232	3,962,475	3,964,459	1,390,528
Total Governmental Activities Program Revenues	3,825,559	3,184,183	3,308,019	4,183,795	4,359,291	4,270,472	4,257,170	4,372,578	1,736,099
Business-type activities:									
Charges for services:									
Food Service	724,486	736,595	811,709	818,395	711,382	675,670	659,922	642,708	627,384
Operating Grants and Contributions	801,814	813,226	687,197	653,312	624,179	673,792	577,792	462,252	434,995
Total Business-type Activities Program Revenues	1,526,300	1,549,821	1,498,906	1,471,707	1,335,561	1,349,462	1,237,714	1,104,960	1,062,379
Total District Program Revenues	\$ 5,351,859	\$ 4,734,004	\$ 4,806,925	\$ 5,655,502	\$ 5,694,852	\$ 5,619,934	\$ 5,494,884	\$ 5,477,538	\$ 2,798,478
Net (Expense)/Revenue									
Governmental Activities	\$ (61,106,329)	\$ (60,923,668)	\$ (57,219,503)	\$ (58,676,428)	\$ (53,723,031)	\$ (50,118,236)	\$ (46,691,805)	\$ (42,152,741)	\$ (39,929,927)
Business-type Activities	52,324	(225,470)	(241,155)	(303,424)	(380,643)	(332,317)	(292,887)	(252,026)	(245,603)
Total District-wide Net Expense	\$ (61,054,005)	\$ (61,149,138)	\$ (57,460,658)	\$ (58,979,852)	\$ (54,103,674)	\$ (50,450,553)	\$ (46,984,692)	\$ (42,404,767)	\$ (40,175,530)

(continued)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Assets
 Last Nine Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 33,285,000	\$ 33,263,531	\$ 32,640,400	\$ 31,548,462	\$ 30,348,902	\$ 26,529,202	\$ 24,632,977	\$ 23,849,442	\$ 20,686,419
Taxes Levied for Debt Service	1,405,650	1,386,258	698,635	1,625,200	1,578,764	1,670,391	1,690,256	1,729,464	1,056,971
Unrestricted Grants and Contributions	25,201,387	25,072,474	26,115,401	24,471,551	22,560,839	21,122,956	20,563,165	19,613,169	23,208,177
Restricted for Debt Service	1,214,989				845,049	54,519	107,605	1,591,199	7,425,698
Investment Earnings		27,986	64,388	219,093	359,965	218,131	101,380	38,100	149,798
Miscellaneous Income	166,561	254,586	23,853	36,076	96,453	128,757	446,782	73,191	54,336
Tuition		(271,805)	271,805	(4,142)	(445,529)	(308,195)	(271,292)	(236,416)	(237,077)
Transfers				(303,250)					
Total Governmental Activities	61,273,587	59,733,030	59,814,482	57,592,990	54,499,394	50,260,810	47,270,873	46,658,149	52,344,222
Business-type Activities:									
Investment Earnings	110	601	429	6,097	4,112	835	143	52	259
Transfers		271,805	235,438	303,250	445,529	308,195	271,292	236,416	237,077
Total Business-type Activities	110	272,406	235,867	309,347	449,641	309,030	271,435	236,468	237,336
Total District-wide	\$ 61,273,697	\$ 60,005,436	\$ 60,050,349	\$ 57,902,337	\$ 54,949,035	\$ 50,569,840	\$ 47,542,308	\$ 46,894,617	\$ 52,581,558
Change in Net Assets									
Governmental Activities	\$ 167,258	\$ (1,190,638)	\$ 2,594,979	\$ (1,083,438)	\$ 776,363	\$ 142,574	\$ 579,068	\$ 4,505,408	\$ 12,414,295
Business-type Activities	52,434	46,936	(5,288)	5,923	68,998	(23,287)	(21,452)	(15,558)	(8,267)
Total District	\$ 219,692	\$ (1,143,702)	\$ 2,589,691	\$ (1,077,515)	\$ 845,361	\$ 119,287	\$ 557,616	\$ 4,489,850	\$ 12,406,028

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Fund Balances, Governmental Funds
Last Nine Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund									
Restricted	\$ 864,957	\$ 4,559,161	\$ 6,480,960	\$ 3,326,408	\$ 3,434,843	\$ 2,775,833	\$ 2,782,357	\$ 3,473,770	\$ 1,059,624
Assigned	2,882,581								
Unassigned	(505,031)	(1,114,761)	(378,306)	343,369	918,049	788,195	689,165	495,733	1,298,237
Total General Fund	\$ 3,242,507	\$ 3,444,400	\$ 6,102,654	\$ 3,669,777	\$ 4,352,892	\$ 3,564,028	\$ 3,471,522	\$ 3,969,503	\$ 2,357,861
All Other Governmental Funds									
Restricted	\$ 925,092	\$ 1,453,159	\$ 87,954	\$ 51,224	\$ 47,068	\$ 46,918	\$ 488,888	\$ 489,700	\$ 6,086,873
Unassigned, Reported in:									
Special Revenue Fund	(81,711)	(86,955)	(71,819)	(148,469)	(121,636)	(125,196)	(126,258)	(42,017)	(126,974)
Capital Projects Fund		134,541	24,767	774,767	813,047	872,810	168,055	461,465	1,525,988
Debt Service Fund	450,369								
Total All Other Governmental Funds	\$ 1,293,750	\$ 1,500,745	\$ 40,902	\$ 677,522	\$ 738,479	\$ 794,532	\$ 530,685	\$ 909,148	\$ 7,485,887

(1) In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund Balance was changed. See the notes to the financial statements.

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years (modified accrual basis of accounting)
Unaudited

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues									
Tax Levy	\$ 34,690,650	\$ 34,649,789	\$ 33,339,035	\$ 33,173,662	\$ 31,927,666	\$ 28,199,593	\$ 26,323,233	\$ 25,578,906	\$ 21,743,390
Tuition Charges	78,651	184,978	179,860	236,957	403,295	313,240	294,695	408,119	345,571
Interest Earnings		27,986	64,388	219,093	359,965	218,132	101,380	38,100	149,798
Miscellaneous	166,561	254,586	23,854	36,076	96,453	128,757	446,782	73,191	54,336
State Sources	27,287,001	22,126,579	27,393,031	26,820,083	24,941,712	24,154,321	23,008,020	23,625,449	30,598,314
Federal Sources	2,876,283	5,945,099	1,850,529	1,598,306	1,575,123	1,770,916	1,625,225	1,543,378	1,425,989
Total Revenue	65,099,146	63,189,017	62,850,697	62,084,177	59,304,214	54,784,959	51,799,335	51,267,143	54,317,398
Expenditures									
Instruction									
Regular Instruction	19,892,776	18,021,993	17,881,736	16,083,596	15,192,455	17,404,169	16,934,033	15,510,677	14,531,540
Special Education Instruction	4,859,962	7,176,891	6,863,069	7,664,054	6,917,039	4,680,846	4,202,761	3,332,657	2,859,798
Other Special Instruction	1,217,785	1,759,324	1,114,481	2,180,756	2,031,844	1,044,450	862,065	785,255	710,817
Support Services:									
Tuition	2,082,114	2,791,314	2,755,249	2,783,508	2,190,458	1,738,457	1,419,140	2,139,745	1,398,424
Student & Instruction Related Services	7,538,492	5,742,915	5,468,318	4,630,320	4,067,666	4,042,947	3,795,182	3,589,342	3,634,136
General Administrative Services	739,435	793,813	727,632	849,884	750,221	925,491	843,202	824,410	826,663
School Administrative Services	2,083,983	2,116,078	2,008,787	1,954,586	1,978,595	1,949,414	1,793,499	1,595,054	1,554,262
Central Services	608,097	711,080	666,731	628,585	646,700	673,538	684,295	1,595,054	1,554,262
Administrative Information Technology	786,706	1,238,625	821,917	708,452	662,585	631,183	517,214	948,204	718,615
Business Administrative Services						3,500		3,920,460	3,281,794
Plant Operations and Maintenance	5,431,517	5,578,748	5,047,509	4,938,677	4,853,518	4,529,304	4,332,185	3,000,568	2,845,145
Pupil Transportation	3,114,680	3,029,387	2,826,444	3,316,350	3,572,337	3,358,352	3,279,323	9,150,173	7,270,738
Unallocated Employee Benefits	13,192,884	12,043,588	11,226,969	13,953,538	12,072,766	9,692,991	10,423,105	9,150,173	7,270,738
Special Schools					14,205	13,700	6,827	9,793	
Capital Outlay	2,507,223	1,665,842	1,998,255	1,148,995	1,501,277	1,675,591	1,526,134	9,349,921	20,342,312
Capital Projects									
Debt Service:									
Principal	885,000	850,000	780,000	998,000	965,000	935,000	930,000	930,000	245,000
Interest and Other Charges	557,380	596,025	631,905	680,556	709,209	875,997	865,522	909,565	923,347
Total Expenditures	65,508,034	64,115,623	60,819,002	62,520,857	58,125,875	54,174,930	52,404,487	55,995,824	61,142,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	(408,888)	(926,606)	2,031,695	(436,680)	1,178,339	610,029	(605,152)	(4,728,681)	(6,825,193)
Other Financing Sources (Uses)									
Capital Leases (Non-budgeted)									230,000
Bond Proceeds									
Proceeds of Refunding Debt									
Payment to Refunded Debt Escrow Agent				(4,142)		10,032,866			
Uncollectible State Funds						(9,978,347)			
Transfers In		458,912	750,000						
Transfers Out		(730,717)	(985,438)						
Total Other Financing Sources (Uses)	-	(271,805)	(235,438)	(307,392)	(445,529)	(308,195)	(271,292)	(236,416)	(237,077)
Net Change in Fund Balances	\$(408,888)	\$(1,198,411)	\$ 1,796,257	\$(744,072)	\$ 732,810	\$ 356,353	\$(876,444)	\$(4,965,097)	\$(6,832,270)
Debt Service as a Percentage of Noncapital Expenditures	2.3%	2.3%	2.4%	2.7%	3.0%	3.4%	3.5%	3.9%	2.9%

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Extended Year Tuition										
Insurance Claims							\$ 21,400			
Interest on Investments		\$ 23,736	\$ 64,388	\$ 219,093	\$ 359,965	\$ 218,132	101,380	\$ 23,979	\$ 28,646	\$ 54,881
Interest on Investments- Capital Reserve		4,250								
Grant	\$ 1,000				19,900					
Prior Year Purchase Order Adjustments	20,015	42,409	15,951	32,111	72,458	19,934	408,772	9,795	2,744	138,139
Prior Year Tuition Adjustments	875						15,243	49,402	42,578	58,391
Refunds	122,883	210,000					465	975	5,435	
Lease Purchase Agreement						102,425				
Sale of Fixed Assets	6,394		3,608		50	1,500	60	26	45	180,020
Sale of Obsolete Equipment	337									
Seminar/Class Fees	61,413									
Township Share of Community Activities	2,955							10,087		
Tuition	84,414	184,978	179,860	236,957	403,295	313,240	294,695	408,119	345,571	263,429
	<u>\$ 300,286.10</u>	<u>\$ 465,373</u>	<u>\$ 263,807</u>	<u>\$ 488,161</u>	<u>\$ 855,668</u>	<u>\$ 655,231</u>	<u>\$ 842,015</u>	<u>\$ 502,383</u>	<u>\$ 425,019</u>	<u>\$ 694,860</u>

Source: District Records.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

(Fiscal) Ended Dec. 31, (June 30.)	Vacant Land	Residential	Farm, Reg.	Q/farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2011	\$ 36,182,100	\$ 1,136,237,008	\$ 5,992,000	\$ 413,600	\$ 489,914,727	\$ 10,000,900	\$ 52,861,400	\$ 1,731,601,735	\$ 182,804,700	\$ 4,439,720	\$ 1,736,041,455	\$ 3,188,731,451	1.927
2010	37,429,200	1,128,385,285	5,876,000	412,900	499,829,977	10,000,900	52,861,400	1,734,775,662	188,202,800	4,439,720	1,739,215,382	3,197,087,089	1.994
2009	39,770,700	1,121,758,900	6,180,900	417,100	505,689,460	10,001,000	53,567,600	1,737,325,660	180,444,800	4,161,638	1,741,487,298	3,177,316,728	1.999
2008	42,448,900	1,117,506,900	6,236,500	419,900	473,462,260	10,001,000	53,584,400	1,703,659,860	108,203,600	2,716,571	1,706,376,431	2,921,135,190	1.953
2007	45,052,400	1,104,654,300	6,133,800	389,600	459,933,760	10,001,000	52,722,000	1,678,886,860	172,987,600	2,599,738	1,681,506,598	2,833,160,051	1.972
2006	41,811,100	1,067,054,400	6,059,900	429,700	472,294,560	10,001,000	51,193,200	1,648,843,860	186,883,300	2,884,477	1,651,728,337	2,434,034,864	1.933
2005	46,464,600	1,016,827,400	6,459,800	464,700	473,928,000	10,371,000	47,880,800	1,602,396,300	185,380,800	3,716,089	1,606,111,389	1,991,167,019	1.756
2004	47,956,200	959,829,100	6,629,800	477,500	472,308,700	10,371,000	43,021,000	1,540,593,300	177,990,700	4,116,738	1,544,710,038	1,773,357,479	1.705
2003	49,125,700	922,321,900	6,478,300	468,600	473,652,900	10,371,000	38,399,400	1,500,817,800	175,492,000	4,653,733	1,538,465,479	1,505,471,533	1.699
2002	58,405,900	888,412,400	6,455,500	514,300	457,197,100	10,371,000	32,852,000	1,454,208,200	167,903,700	1,386,700	1,454,208,200	1,472,533,285	1.491

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping property tax rates and schedule of property tax levies and collections.

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Direct and Overlapping Property Tax Rates

Last Ten (Fiscal) Years

(rate per \$100 of assessed value)

Unaudited

(Fiscal) Ended Dec. 31, (June 30,)	District Direct Rate		Overlapping Rates				Total Direct and Tax Rate
	Basic Rate (1)	General Obligation Service (2)	Total Direct School Tax Rate	School District	Township of Deptford	County of Gloucester	
2011	1.984	0.010	1.927		1.192	0.919	4.038
2010	1.984	0.010	1.994		1.357	0.947	4.298
2009	1.980	0.010	1.990		1.210	1.002	4.202
2008	1.943	0.010	1.953		1.119	0.942	4.014
2007	1.875	0.097	1.972		1.041	0.929	3.942
2006	1.837	0.096	1.933		0.969	0.869	3.771
2005	1.650	0.106	1.756		0.913	0.796	3.465
2004	1.600	0.105	1.705		0.855	0.714	3.274
2003	1.580	0.119	1.699		0.778	0.663	3.140
2002	1.430	0.061	1.491		0.802	0.630	2.923

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

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 district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Deptford Mall Associates	\$ 85,515,900	1	4.92%	\$ 85,000,000	1	6.25%
Walmart	20,904,700	2	1.20%			
Almonesson Associates - I	20,827,800	3	1.20%	36,000,000	2	2.65%
AIG Baker/Walmart	20,285,800	4	1.17%			
AIG Baker	15,135,100	5	0.87%			
AIG Baker/Sams	14,766,600	7	0.85%			
Almonesson Associates - II	10,888,000	9	0.63%	14,278,000	4	
Deptford Commons	12,750,000	8	0.73%			
QRP Land II, LP	15,000,000	6	0.86%			
Macy's Department Store	10,822,645	10	0.62%	14,300,000	3	
Deptbam Properties Corp						
Sears & Roebuck & Co.				13,900,000	5	0.00%
RCA/GE			0.00%	13,000,000	6	1.02%
Deptford Crossing			0.00%	12,750,000	7	0.96%
May Department Stores				11,900,000	9	0.94%
Home Depot	-					0.87%
Baseball LP	-			11,200,000	10	0.00%
Natick Realty Corp.						0.82%
JC Penney				12,509,000	8	0.00%
Total	\$ 226,896,545		13.05%	\$ 224,837,000		13.51%

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2011	\$ 33,285,000	\$ 33,285,000	100.00%	
2010	33,263,531	33,263,531	100.00%	-
2009	32,640,400	32,640,400	100.00%	-
2008	31,548,462	31,548,462	100.00%	-
2007	30,348,902	30,348,902	100.00%	-
2006	26,529,202	26,529,202	100.00%	-
2005	24,632,977	24,632,977	100.00%	-
2004	23,849,442	23,849,442	100.00%	-
2003	20,686,419	20,686,419	100.00%	-
2002	16,837,094	16,837,094	100.00%	-

(1) 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, in the amount voted upon or certified prior to the end of the school year.

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

DEPTFORD 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			Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	Total District		
2011	\$ 12,545,000	N/A	-	N/A	N/A	\$ 12,545,000	N/A	N/A
2010	13,430,000	N/A	-	N/A	N/A	13,430,000	N/A	N/A
2009	14,280,000	N/A	-	N/A	N/A	14,280,000	N/A	N/A
2008	15,060,000	N/A	-	N/A	N/A	15,060,000	0.26%	\$ 39,040
2007	16,058,000	N/A	-	N/A	N/A	16,058,000	0.24%	37,754
2006	17,023,000	N/A	\$ 60,458	N/A	N/A	17,083,458	0.21%	36,401
2005	17,588,000	N/A	58,649	N/A	N/A	17,646,649	0.19%	34,373
2004	18,518,000	N/A	297,917	N/A	N/A	18,815,917	0.17%	32,888
2003	19,448,000	N/A	426,843	N/A	N/A	19,874,843	0.16%	31,317
2002	19,693,000	N/A	302,398	N/A	N/A	19,995,398	0.15%	30,726

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

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

Source: District CAFR Exhibits I-1, I-2

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (2)</u>
2011	\$ 12,545,000	-	\$ 12,545,000	0.77%	N/A
2010	13,430,000	-	13,430,000	0.77%	N/A
2009	14,280,000	-	14,280,000	0.82%	N/A
2008	15,060,000	-	15,060,000	0.88%	\$ 39,040
2007	16,058,000	-	16,058,000	0.95%	37,754
2006	17,023,000	-	17,023,000	1.03%	36,401
2005	17,588,000	-	17,588,000	1.10%	34,373
2004	18,518,000	-	18,518,000	1.20%	32,888
2003	19,448,000	-	19,448,000	1.26%	31,317
2002	19,693,000	-	19,693,000	1.35%	30,726

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

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit J-14.

Source: District Records.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2011
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Deptford	\$ 17,280,496	100.000%	\$ 17,280,496
Other debt			
County of Gloucester	308,779,932	11.10%	34,274,572
Subtotal, overlapping debt			51,555,068
Deptford Township School District Direct Debt			12,545,000
Total direct and overlapping debt			<u>\$ 64,100,068</u>

Sources: Assessed value data used to estimate applicable percentages provided by County of Gloucester
 Debt outstanding provided by applicable governmental unit

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Deptford. 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.

(1) 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.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis
	2010
\$	3,193,546,422
	2009
\$	3,077,091,144
	2008
\$	3,108,301,149
\$	<u>9,378,938,715</u>
\$	<u>3,126,312,905</u>
Average equalized valuation of taxable property	
\$	125,052,516
\$	<u>12,545,000</u>
Debt limit (4 % of \$3,126,312,905)	
\$	125,052,516
\$	<u>12,545,000</u>
Total Net Debt Applicable to Limit	
\$	112,507,516
\$	<u>112,507,516</u>

Fiscal Year

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 112,507,516	\$ 107,287,967	\$ 102,383,824	\$ 91,579,344	\$ 77,732,460	\$ 79,722,976	\$ 68,040,251	\$ 61,470,893	\$ 56,391,382	\$ 53,493,389
Total net debt applicable to limit	<u>12,545,000</u>	<u>13,430,000</u>	<u>14,280,000</u>	<u>15,060,000</u>	<u>16,058,000</u>	<u>17,023,000</u>	<u>17,588,000</u>	<u>18,518,000</u>	<u>19,448,000</u>	<u>19,693,000</u>
Legal debt margin	<u>\$ 99,962,516</u>	<u>\$ 93,857,967</u>	<u>\$ 88,103,824</u>	<u>\$ 76,519,344</u>	<u>\$ 61,674,460</u>	<u>\$ 62,699,976</u>	<u>\$ 50,452,251</u>	<u>\$ 42,952,893</u>	<u>\$ 36,943,382</u>	<u>\$ 33,800,389</u>
Total net debt applicable to the limit as a percentage of debt limit	11.15%	12.52%	13.95%	16.44%	20.66%	21.35%	25.85%	30.12%	34.49%	36.81%

(1) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

Source: Abstract of Rates and District Records CAFR Schedule J-7

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	30,722	N/A	N/A	9.50%
2010	30,722	\$ 1,448,357,968	\$ 47,144	9.30%
2009	30,722	1,438,465,484	46,822	10.30%
2008	30,643	1,196,302,720	39,040	4.10%
2007	30,539	1,152,969,406	37,754	3.30%
2006	30,157	1,097,744,957	36,401	3.50%
2005	29,579	1,016,718,967	34,373	N/A
2004	28,872	949,542,336	32,888	5.00%
2003	28,048	878,379,216	31,317	5.60%
2002	27,433	842,906,358	30,726	5.40%
2001	27,034	813,615,264	30,096	4.00%
2000	26,814	757,120,104	28,236	3.80%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by county is based on the U.S. Department of Commerce Bureau of Economic Analysis, April 2010 (which includes prior year revised amounts)
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Principal Employers
Current Year and Four Years Ago
Unaudited

	2011				2007			
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>		
Underwood Memorial Hospital	1,825	1	0.00%	1,780	1	0.00%		
Washington Township Public Schools	1,504	2	0.00%	1,645	2	0.00%		
County of Gloucester	1,500	3	0.00%	-		0.00%		
Rowan University	1,300	4	0.00%	1,637	3	0.00%		
Kennedy Hospital	1,200	5	0.00%	1,035	4	0.00%		
MISSA Bay LLC	950	6						
U.S. Foodservices	800	7	0.00%	900	5	0.00%		
Monroe Township School District	714	8	0.00%	698	8	0.00%		
Goodwin Pumps	640	9						
Valero	640	10						
Direct Group			0.00%	720	6	0.00%		
US Postal Service			0.00%	700	7	0.00%		
Deptford Township School District			0.00%	650	9	0.00%		
Compucon Systems, Inc.			0.00%	600	10	0.00%		
	<u>11,073</u>		<u>0.00%</u>	<u>10,365</u>		<u>0.00%</u>		

Source: Countywide Disclosure

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Instruction										
Regular	331	308	302	299	293	290	249	272	234	240
Special education	93	106	112	89	95	98	56	83	77	77
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	62	65	64	62	62	61	56	54	61	62
General administrative services	4	4	3	4	4	4	5	5	6	6
School administrative services	28	29	29	33	45	47	28	27	24	23
Business administrative services	18	18	18	18	18	17	16	19	15	15
Plant operations and maintenance	62	62	59	62	62	62	62	62	52	52
Pupil transportation	70	70	70	66	65	67	67	66	64	59
Special Schools	37	37	37	37	36	35	35	35	33	33
Food Service	-	-	-	-	-	-	-	-	-	-
Total	705	699	694	670	680	681	574	623	566	567

Source: District Personnel Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Operating Statistics
Last Ten Fiscal Years
Unaudited

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Pupil/Teacher Ratio</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	4,390	\$ 58,978,036	13,434.63	7.61%	386	1:12	1:11	1:11	1:11	4,352	4,122	1.65%	94.72%
2010	4,352	57,223,761	13,148.84	5.95%	386	1:12	1:11	1:11	1:11	4,284	4,055	-0.30%	94.65%
2009	4,339	54,171,297	12,484.74	7.79%	385	1:12	1:11	1:11	1:11	4,355	4,131	2.43%	95.60%
2008	4,371	54,246,533	12,410.55	7.15%	383	1:12	1:10	1:11	1:11	4,339	4,148	2.86%	95.60%
2007	4,336	50,223,232	11,582.85	8.66%	380	1:12	1:11	1:11	1:12	4,300	4,067	1.35%	94.60%
2006	4,294	45,771,461	10,659.40	3.10%	361	1:08	1:28	1:20	1:20	4,262	4,033	-1.87%	94.60%
2005	4,277	44,217,986	10,338.55	8.37%	361	1:08	1:28	1:20	1:20	4,243	4,013	-2.36%	94.58%
2004	4,218	40,240,471	9,540.18	13.21%	349	1:13	1:12	1:12	1:12	4,346	4,110	6.42%	94.57%
2003	4,163	35,081,752	8,427.04	0.49%	346	1:13	1:13	1:13	1:13	4,076	3,862	1.15%	94.75%
2002	4,077	34,188,669	8,385.74	-1.46%	308	1:14	1:13	1:13	1:13	4,026	3,818	6.77%	94.83%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

DEPTFORD TOWNSHIP BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years
Unaudited

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>District Building</u>										
<u>Elementary</u>										
Central Elementary School (2004)	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	n/a	16,800
Square Feet	552	552	552	552	552	552	552	552	n/a	552
Capacity (students)	569	587	601	625	569	520	654	459	n/a	152
Enrollment	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565
Good Intent Elementary School (1960)	515	515	515	515	515	515	515	515	515	515
Square Feet	412	414	428	404	396	397	307	318	506	485
Capacity (students)	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256
Enrollment	294	294	294	294	294	294	294	294	294	294
Lake Tract Elementary School (1964)	459	412	426	423	410	398	396	450	630	496
Square Feet	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282
Capacity (students)	70	70	70	70	70	70	70	70	70	70
Enrollment	21	21	25	27	29	34	31	30	32	23
New Sharon Elementary School (1924)	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238
Square Feet	276	276	276	276	276	276	276	276	276	276
Capacity (students)	380	413	400	364	364	376	368	372	445	443
Enrollment	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540
Pine Acres Elementary School (1964)	290	290	290	290	290	290	290	290	290	290
Square Feet	243	255	231	273	256	197	216	210	201	174
Capacity (students)	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015
Enrollment	500	500	500	500	500	500	500	500	500	500
Shady Lane Elementary School (1957)	535	517	491	499	507	500	424	529	499	488
Square Feet	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186
Capacity (students)	560	560	560	560	560	560	560	560	560	560
Enrollment	676	663	652	611	634	700	709	657	687	697
<u>Middle School</u>										
Monongahela Middle School (1984)	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992
Square Feet	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Capacity (students)	1,023	1,070	1,085	1,145	1,171	1,172	1,172	1,193	1,163	1,119
Enrollment	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988
<u>High School</u>										
Deptford High School (1974)	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988
Square Feet	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Capacity (students)	1,023	1,070	1,085	1,145	1,171	1,172	1,172	1,193	1,163	1,119
Enrollment	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988
<u>Other</u>										
District Wide										
Square Feet										
Number of Schools at June 30, 2011			Elementary = 7	Middle School = 1	High School = 1				Other = 1	

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

* School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Deptford High School	N/A	\$ 172,974	\$ 170,695	\$ 156,305	\$ 169,446	\$ 170,695	\$ 177,551	\$ 234,051	\$ 301,704	\$ 261,467	\$ 771,779
Monongahela Middle School	N/A	6,542	55,929	64,684	67,963	74,305	73,273	73,273	104,546	156,880	434,192
Central Elementary School	N/A	6,219	28,006	26,269	30,429	30,800	30,040	30,040	52,335		68,671
Good Intent Elementary School	N/A	8,320	18,836	16,388	26,232	27,400	25,732	25,732	32,703	104,587	104,494
Lake Tract Elementary School	N/A	3,661	14,034	18,569	13,706	21,075	19,288	19,288	32,045	156,880	131,954
New Sharon Elementary School	N/A	1,867	6,625	5,525	4,186	6,343	4,741	8,602	6,829	52,293	19,574
Pine Acres Elementary School	N/A	8,244	15,040	18,388	21,111	24,794	24,604	35,711	33,465	104,587	75,402
Oak Valley Elementary School	N/A	10,259	19,207	18,468	17,297	23,672	22,051	24,604	30,715	104,587	121,911
Shady Lane Elementary School	N/A	17,796	33,946	30,916	32,770	36,400	33,060	33,060	52,369	104,587	138,078
District Wide	N/A						1,021				
Total School Facilities		\$ 235,881	\$ 362,318	\$ 355,512	\$ 383,140	\$ 415,484	\$ 410,340	\$ 485,382	\$ 646,711	\$ 1,045,868	\$ 1,866,055

* School Facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Insurance Schedule

June 30, 2011

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - GCSSDJIF		
Property - Blanket Building and Contents	\$ 150,000,000	\$ 500
Comprehensive Automobile Liability	10,000,000	None
Workers' Compensation - GCSSDJIF	Statutory	None
Self-Insured Retention		
Boiler and Machinery	100,000,000	1,000
Inspection and Insurance Co.		
Property Damage		
Educator's Legal Liability Excess Coverage	10,000,000	None
Public Employees' Faithful Performance Bond - GCSSDJIF		
Employee Dishonesty, Money and Securities	500,000	500
Pollution Legal Liability and Mold Legal Liability	3,000,000	25,000
Third Party Micro-dial Liability	1,000,000	50,000
Surety Bonds (3)		
Treasurer	718,000	None
Board Secretary/Business Administrator	2,000	None
Student Accident Insurance (Excess)		
Student Accident non Athletic	1,000,000	None
Student Accident Athletic	5,000,000	None
Volunteer	25,000	None

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

Compliance

We have audited Township of Deptford School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2011. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Deptford School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, Township of Deptford School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of the Township of Deptford School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20CS00205000

Voorhees, New Jersey
December 2, 2011

Township of Deptford School District
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2011

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
General Fund:					
U.S. Department of Education					
ARRA - ESF Stabilization Aid	84.394	N/A	\$ 3,379,630	7-1-2009	6-30-2010
ARRA - GSF Stabilization Aid	84.397	N/A	130,831	7-1-2009	6-30-2010
Medical Assistance Program	93.778	N/A	85,956	7-1-2010	6-30-2011
Special Revenue Fund:					
U.S. Department of Defense					
NJROTC	N/A	N/A	80,435	7-1-2007	6-30-2008
NJROTC	N/A	N/A	83,717	7-1-2008	6-30-2009
NJROTC	N/A	N/A	85,804	7-1-2009	6-30-2010
NJROTC	N/A	N/A	2,988	7-1-2010	6-30-2011
U.S. Department of Education					
Passed-through State Department of Education:					
Title I, Part A Carryover	84.010A	NCLB086008	328,813	9-1-2007	8-31-2008
Title I, Part A Carryover	84.010A	NCLB086009	442,998	9-1-2008	8-31-2009
Title I, Part A Carryover	84.010A	NCLB086010	599,689	9-1-2009	8-31-2010
Title I, Part A	84.010A	NCLB267011	502,612	9-1-2010	8-31-2011
Title I, School Improvement Carryover	84.010A	NCLB086008	7,545	9-1-2006	8-31-2007
Title I, School Improvement Carryover	84.010A	NCLB086010	100,000	9-1-2008	8-31-2009
ARRA - Title I, Part A	84.389	NCLB110010	374,758	7-1-2009	8-31-2011
Title II, Part A Carryover	84.367	NCLB086008	119,523	9-1-2007	8-31-2008
Title II, Part A Carryover	84.367	NCLB086009	125,995	9-1-2008	8-31-2009
Title II, Part A Carryover	84.367	NCLB086010	192,083	9-1-2009	8-31-2010
Title II, Part A	84.367	NCLB267011	130,624	9-1-2010	8-31-2011
Title II, Part D - Tech Carryover	84.318	NCLB086008	1,529	9-1-2006	8-31-2007
Title II, Part D - Tech Carryover	84.318	NCLB086009	3,669	9-1-2008	8-31-2009
Title II, Part D - Tech Carryover	84.318	NCLB086010	8,853	9-1-2009	8-31-2010
Title II, Part D	84.318	NCLB267011	1,087	9-1-2010	8-31-2011
Title III, Carryover	84.365A	NCLB086008	13,864	9-1-2007	8-31-2008
Title III, Carryover	84.365A	NCLB086009	13,149	9-1-2008	8-31-2009
Title III, Carryover	84.365A	NCLB086010	14,057	9-1-2009	8-31-2010
Title III	84.365A	NCLB267011	13,170	9-1-2010	8-31-2011
Title IV Carryover	84.184	NCLB086010	11,811	9-1-2008	8-31-2009
Title IV Carryover	84.184	NCLB086011	12,356	9-1-2009	8-31-2010
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA110009	1,083,837	9-1-2008	8-31-2009
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA110010	1,093,883	9-1-2009	8-31-2010
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA110011	1,063,512	9-1-2010	8-31-2011
I.D.E.I.A. , Part B Preschool	84.173	IDEA110009	34,528	9-1-2008	8-31-2009
I.D.E.I.A. , Part B Preschool	84.173	IDEA110010	34,668	9-1-2009	8-31-2010
I.D.E.I.A. , Part B Preschool	84.173	IDEA110011	35,669	9-1-2010	8-31-2011
ARRA - I.D.E.I.A. Part B, Basic Regular	84.391	IDEA110010	1,083,478	7-1-2009	9-30-2011
ARRA - I.D.E.I.A. , Part B Preschool	84.173	IDEA110010	39,065	7-1-2009	9-30-2011
Include	84.318X	N/A	234,962	7-1-2010	6-30-2011
Total Special Revenue Fund					
Enterprise Fund:					
U.S. Department of Agriculture					
Passed-through State Department of Education:					
National School Lunch Program	10.555	N/A	529,599	7-1-2009	6-30-2010
National School Lunch Program	10.555	N/A	546,495	7-1-2010	6-30-2011
School Breakfast Program	10.553	N/A	124,716	7-1-2009	6-30-2010
School Breakfast Program	10.553	N/A	136,175	7-1-2010	6-30-2011
Special Milk Program	10.556	N/A	3,838	7-1-2009	6-30-2010
Special Milk Program	10.556	N/A	4,160	7-1-2010	6-30-2011
Food Distribution Program	10.550	N/A	97,918	7-1-2010	6-30-2011
Total Enterprise Fund					
Total Federal Financial Assistance					

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

<u>Balance at June 30, 2010</u>				<u>Balance June 30, 2011</u>				
<u>Balance</u> <u>June 30,</u> <u>2010</u>	<u>Carryover /</u> <u>(Walkover)</u> <u>Amount</u>	<u>Cash</u> <u>Received</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Adjustments</u>	<u>Repayment of</u> <u>Prior Years'</u> <u>Balances</u>	<u>(Accounts</u> <u>Receivable)</u>	<u>Deferred</u> <u>Revenue</u>	<u>Due to</u> <u>Grantor at</u> <u>June 30, 2011</u>
\$ (450,616)		\$ 450,616						
(17,451)		17,451						
		85,956	\$ 85,956					
\$ (468,067)		554,023	85,956					
(271)		271						
73				\$ (73)				
(19,046)		19,046						
		2,988	2,419				\$ 569	
(19,244)	-	2,988	2,419	-	-	-	569	-
5				(5)				
(2,106)				2,106				
(82,754)		82,642	38,292	5,596		\$ (32,808)		
			389,533			(389,533)		
7,545				(7,545)				
(96,848)			1,045			(97,893)		
(357,052)		333,656	11,822			(35,218)		
10,550				(10,550)				
9,810				(9,810)				
20,345			35,543	15,198				
			65,233			(65,233)		
405				(405)				
1,291				(1,291)				
(5,318)			376	1,346		(4,348)		
			1,087			(1,087)		
964				(964)				
10,594			5,357	(5,237)				
1,844			8,038	5,948		(246)		
			10,321			(10,321)		
11,000				(11,000)				
(2,501)			880	8,925		(2,955)	8,499	
10,058				(10,058)				
(586,444)		959,819	383,433			(10,058)		
			1,138,179			(1,138,179)		
(1,350)				1,350				
		27,600	27,600					
			10,613			(10,613)		
(16,960)			466,346			(483,306)		
19,880			5,325	17,900			32,455	
		123,984	188,885			(64,901)		
(1,047,042)	-	1,530,689	2,790,327	1,504	-	(2,346,699)	41,523	-
(42,094)		42,094						
		453,617	546,495			(92,878)		
(11,852)		11,852						
		110,004	136,175			(26,171)		
(329)		329						
		3,465	4,160			(695)		
		97,918	97,918					
(54,275)	-	719,279	784,748	-	-	(119,744)	-	-
\$ (1,569,384)	\$ -	\$ 2,803,991	\$ 3,661,031	\$ 1,504	\$ -	\$ (2,466,443)	\$ 41,523	\$ -

Township of Deptford School District
Schedule of Expenditures of State Awards, Schedule B
For the Fiscal Year Ended June 30, 2011

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010		Carryover/ (Walkover) Amount
			From	To	Deferred Revenue / Accounts Receivable	Due to Grantor	
State Department of Education (State Aid):							
General Fund:							
Equalization Aid	10-495-034-5120-078	\$ 15,836,671	7-1-2009	6-30-2010	\$ (1,685,297)		
Equalization Aid	11-495-034-5120-078	18,636,217	7-1-2010	6-30-2011			
Security Aid	10-495-034-5120-085	684,542	7-1-2009	6-30-2010	(72,847)		
Special Education Aid	10-495-034-5120-089	2,152,520	7-1-2009	6-30-2010	(229,066)		
Special Education Aid	11-495-034-5120-089	2,107,675	7-1-2010	6-30-2011			
Transportation Aid	10-495-034-5120-015	1,497,901	7-1-2009	6-30-2010	(159,403)		
Nonpublic Transportation Aid	08-495-034-5120-015	33,243	7-1-2007	6-30-2008	(826)		
Nonpublic Transportation Aid	10-495-034-5120-015	19,516	7-1-2009	6-30-2010	(19,516)		
Nonpublic Transportation Aid	11-495-034-5120-015	26,731	7-1-2010	6-30-2011			
Extraordinary Special Education Aid Costs	10-100-034-5120-473	206,095	7-1-2009	6-30-2010	(206,095)		
Extraordinary Special Education Aid Costs	11-100-034-5120-473	259,722	7-1-2010	6-30-2011			
Reimbursed T.P.A.F. Social Security	10-495-034-5095-002	2,024,182	7-1-2009	6-30-2010	(100,007)		
Reimbursed T.P.A.F. Social Security	11-495-034-5095-002	2,049,427	7-1-2010	6-30-2011			
Total State Aid - General Fund					(2,473,057)	-	-
State Grants:							
Special Revenue Fund:							
Preschool Education Aid	10-495-034-5120-086	817,133	7-1-2009	6-30-2010	(86,955)		
Preschool Education Aid	11-495-034-5120-086	817,133	7-1-2010	6-30-2011			
Distance Network Learning Aid	03-100-034-5120-348	170,074	7-1-2002	6-30-2003	20,236		
New Jersey Nonpublic Aid							
Textbook Aid	08-100-034-5120-064	18,416	7-1-2008	6-30-2009	(1,146)		
Textbook Aid	10-100-034-5120-064	17,741	7-1-2009	6-30-2010		\$ 877	
Textbook Aid	11-100-034-5120-064	13,073	7-1-2010	6-30-2011			
Auxiliary Services							
Compensatory Education	10-100-034-5120-067	108,153	7-1-2009	6-30-2010		6,425	
English as a Second Language	10-100-034-5120-067	3,121	7-1-2009	6-30-2010		185	
Transportation	10-100-034-5120-067	39,293	7-1-2009	6-30-2010		2,334	
Auxiliary Services							
Compensatory Education	11-100-034-5120-067	121,404	7-1-2010	6-30-2011			
English as a Second Language	11-100-034-5120-067	3,415	7-1-2010	6-30-2011			
Transportation	11-100-034-5120-067	41,574	7-1-2010	6-30-2011			
Handicapped Services							
CST Evaluation	08-100-034-5120-066	26,523	7-1-2007	6-30-2008	(69)		
Annual Exam & Classification	08-100-034-5120-066	11,400	7-1-2007	6-30-2008	(29)		
Corrective Speech	08-100-034-5120-066	39,990	7-1-2007	6-30-2008	(104)		
Supplemental Instruction	08-100-034-5120-066	18,998	7-1-2007	6-30-2008	(49)		
Handicapped Services							
CST Evaluation	10-100-034-5120-066	27,828	7-1-2009	6-30-2010		6,090	
Annual Exam & Classification	10-100-034-5120-066	10,319	7-1-2009	6-30-2010		2,258	
Corrective Speech	10-100-034-5120-066	45,918	7-1-2009	6-30-2010		10,050	
Supplemental Instruction	10-100-034-5120-066	16,313	7-1-2009	6-30-2010		3,570	
Handicapped Services							
CST Evaluation	11-100-034-5120-066	31,238	7-1-2010	6-30-2011			
Annual Exam & Classification	11-100-034-5120-066	10,229	7-1-2010	6-30-2011			
Corrective Speech	11-100-034-5120-066	41,463	7-1-2010	6-30-2011			
Supplemental Instruction	11-100-034-5120-066	24,319	7-1-2010	6-30-2011			
Home Instruction	N/A	1,291	7-1-2009	6-30-2010	(1,291)		
Nursing Services	10-100-034-5120-070	12,000	7-1-2009	6-30-2010		11,518	
Nursing Services	11-100-034-5120-070	15,491	7-1-2010	6-30-2011			
Technology Grant	05-100-034-5120-038	9,400	7-1-2004	6-30-2005	1,887		
Technology Grant	07-100-034-5120-038	8,120	7-1-2006	6-30-2007	99		
IDEAL Grant	N/A	41,566	7-1-2008	6-30-2009	48,883		
IDEAL Grant	N/A	60,000	7-1-2009	6-30-2010	(5,471)		
Character Education Grant	06-495-034-5120-053	10,830	7-1-2005	6-30-2006	949		
Include Grant	N/A	226,000	7-1-2008	6-30-2009	32,288		
Include Grant	N/A	240,000	7-1-2009	6-30-2010	(55,432)		
Matrix Grant	N/A	23,594	7-1-2007	6-30-2008	23,594		
Martin Luther King Commission	N/A	2,400	7-1-2005	6-30-2006	714		
Principal of the Year Grant	N/A	10,000	7-1-2003	6-30-2004	43		
Crossing Guard Arm	N/A	600	7-1-2008	6-30-2009	600		
NJ Center for Teacher/Learn Math	N/A	25,000	7-1-2008	6-30-2009	13,582		
NJ Center for Teacher/Learn Math	N/A	25,000	7-1-2009	6-30-2010	155		
Total Special Revenue Fund					(7,516)	43,307	-
Capital Projects Fund:							
SDA Grant	1100-130-09-1002	175,630	7-1-2009	6-30-2011	-		
SDA Grant	1100-120-09-1001	550,165	7-1-2009	6-30-2011			
SDA Grant	1100-130-09-1004	453,945	7-1-2009	6-30-2011			
SDA Grant	1100-140-09-1003	635,609	7-1-2010	6-30-2012			
SDA Grant	1100-040-10-1003	500,241	7-1-2010	6-30-2012			
					-	-	-
Enterprise Fund:							
National School Lunch Program (State Share)	10-100-010-3360-067	26,552	7-1-2009	6-30-2010	(2,066)		
National School Lunch Program (State Share)	11-100-010-3360-067	17,066	7-1-2010	6-30-2011			
School Breakfast Program (State Share)	10-100-010-3360-096	9,324	7-1-2009	6-30-2010	(890)		
Total Enterprise Fund					(2,956)	-	-
Total State Financial Assistance					\$ (2,483,529)	\$ 43,307	\$ -

The accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011		
				Accounts Receivable	Deferred Revenue	Due to Grantor
\$ 1,685,297						
16,953,471		\$ 18,636,217		\$ (1,682,746)		
72,847						
229,066						
1,896,907		2,107,675		(210,768)		
159,403						
826						
19,516						
206,095		26,731		(26,731)		
100,007		259,722		(259,722)		
1,948,452		2,049,427		(100,975)		
<u>23,271,887</u>	<u>-</u>	<u>23,079,772</u>	<u>-</u>	<u>(2,280,942)</u>	<u>-</u>	<u>-</u>
86,955						
735,402	\$ (20,236)	817,113		(81,711)		
	1,146					
13,073		12,922	\$ 877			\$ 151
			6,425			
			185			
			2,334			
121,404		65,307			\$ 56,097	
3,415		1,708			1,707	
41,574		41,574				
	69					
	29					
	104					
	49					
			6,090			
			2,258			
			10,050			
			3,570			
31,238		11,156			20,082	
10,229		5,114			5,115	
41,463		31,293			10,170	
24,319		10,422			13,897	
1,291						
15,491		13,201	11,518			2,290
	(1,887)					
	(99)					
4,750		2,279		(3,000)		48,883
	(949)					
112,864		54,193			32,288	
	(23,594)				3,239	
	(714)					
	(43)					
		8,135			600	
		128			5,447	
					27	
<u>1,243,468</u>	<u>(46,125.00)</u>	<u>1,074,545</u>	<u>43,307</u>	<u>(84,711)</u>	<u>148,669</u>	<u>51,324</u>
		175,630		(175,630)		
		550,165		(550,165)		
		453,945		(453,945)		
		112,543		(635,609)	523,066	
		98,215		(500,241)	402,026	
<u>-</u>	<u>-</u>	<u>1,390,498</u>	<u>-</u>	<u>(2,315,590)</u>	<u>925,092</u>	<u>-</u>
2,066						
13,999		17,066		(3,067)		
890						
<u>16,955</u>	<u>-</u>	<u>17,066</u>	<u>-</u>	<u>(3,067)</u>	<u>-</u>	<u>-</u>
<u>\$ 24,532,310</u>	<u>\$ (46,125)</u>	<u>\$ 25,561,881</u>	<u>\$ 43,307</u>	<u>\$ (4,684,310)</u>	<u>\$ 1,073,761</u>	<u>\$ 51,324</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Deptford 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. All federal awards and state financial assistance 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 of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$253,099 for the general fund and (\$117,964) 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. Awards and financial assistance revenues are reported in the School District's basic financial statements on a GAAP basis as presented on the following page.

**Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance (Cont'd)**

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 85,956	\$ 25,115,431	\$ 25,201,387
Special Revenue	2,790,327	956,581	3,746,908
Capital Projects		1,214,989	1,214,989
Food Service	<u>784,748</u>	<u>17,066</u>	<u>801,814</u>
	<u>\$ 3,661,031</u>	<u>\$ 27,304,067</u>	<u>\$ 30,965,098</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2011.

Note 6: MAJOR PROGRAMS

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? x yes no

Were significant deficiencies identified that were not considered to be a material weakness? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes x no

Were significant deficiencies identified that were not considered to be material weaknesses? yes x none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I, Part A</u>
<u>84.010A</u>	<u>Title I SIA</u>
<u>84.389</u>	<u>ARRA - Title I, Part A</u>
<u>84.027</u>	<u>IDEA Part B - Basic</u>
<u>84.137</u>	<u>IDEA Part B - Preschool</u>
<u>84.391</u>	<u>ARRA - IDEA Part B - Basic</u>
<u>84.173</u>	<u>ARRA - IDEA Preschool</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.550</u>	<u>Food Distribution Program</u>
<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$ 300,000

Auditee qualified as low-risk auditee? yes x no

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011**

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? ___ yes x no

Were significant deficiencies identified that were not considered to be material weaknesses? ___ yes x none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? ___ yes x no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education
2670-090-09-1001	SDA Grant
495-034-5120-017	Reimbursed T.P.A.F Social Security Contributions

Dollar threshold used to determine Type A programs \$ 766,856

Auditee qualified as low-risk auditee? ___ yes x no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Finding No. 2011-1

Criteria or Specific Requirement

In order to ensure adequate control over the preparation of financial statements including related footnotes, all general ledger accounts should be properly reconciled and agreed to supporting schedules.

Condition

Audit adjustments were required to certain general ledger accounts to achieve proper presentation in the Comprehensive Annual Financial Report (CAFR).

Context

Audit adjustments were required to achieve proper presentation in the Comprehensive Annual Financial Report (CAFR).

Effect

The organization's unaudited general ledger did not facilitate the preparation of financial statements.

Cause

Comparison of general ledger to supporting schedules was not performed for all accounts. In addition, there is some reliance placed on the auditors to make certain journal entries instead of posting them prior to the closing of the books.

Recommendation

It is recommended that reconciliation of all significant general ledger accounts be prepared on a periodic basis, including comparison to supporting schedules and adjustment of general ledger balances as necessary. Additionally, the organization should take steps to ensure that the controls over the preparation of financial statements and related footnotes are instituted.

View of Responsible Officials and Planned Corrective Action

With regard to preparing supporting workpapers and reconciling accounts on an ongoing basis, the responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

No Current Year Findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Current Year Findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.

