

TOWNSHIP OF DEPTFORD

SCHOOL DISTRICT

DEPTFORD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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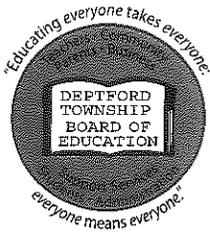
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INTRODUCTORY SECTION



DEPTFORD TOWNSHIP BOARD OF EDUCATION

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Carolyn Morehead
Assistant Superintendent

Dr. Charles R. Ford, Jr.
Superintendent

Michael Griggel
Business Administrator / Board Secretary

Kelly Brazelton
Assistant Business Administrator

December 21, 2015

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, 2015, 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

*"Educating everyone takes everyone:
everyone means everyone."*

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 2014-2015 fiscal year with an average daily enrollment of 4309 students, which are 35.5 students less than the previous year's enrollment. The following detail the changes in the student enrollment of the District over the last five years.

Fiscal Year	Average Daily Enrollment	
	Average Daily Enrollment	Percent Increase/ (Decrease)
2010-11	4351.9	1.6%
2011-12	4355.9	0.09%
2012-13	4331.4	(0.56%)
2013-14	4344.5	.30%
2014-15	4309	(.80%)

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 2015-16 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, which was reused to incorporate more Common Core Standards and PARCC.
- The continues implementation MAP testing program in grades K-6.
- The continued implementation of a Kindergarten program which is developmentally appropriate and based on the State Kindergarten regulations.
- Further 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, elementary computer labs, Google Chrome Books and other instructional devices.
- The implementation of a new researched based math program, Big Ideas, in grades 6-8.
- Expansion of computer instruction for grades 2-6 in the elementary schools.
- The addition of a new Character Education program including training on HIB and Character Education.

Middle School:

- The continued implementation of a comprehensive core English Language Arts program in grades 7 and 8, which was reused to incorporate more Common Core Standards and PARCC.
- Additional laptop carts available for instruction.
- The continued implementation of an inquiry based science program in grades 7 and 8.
- The continued implementation of a research-based social studies program in grades 7-8.
- Continued implementation of computer courses in state-of-art-computer labs.
- The continued implementation of a MAP testing program in grades 7-8
- The addition of advanced track courses in all content areas.
- The addition of a new Character Education program including training on HIB and Character Education.

High School:

- The continued implementation of a comprehensive core English Language Arts program in all language arts literacy courses, which was reused to include more Common Core Standards and PARCC.
- The continued implementation of a new math curriculum.

- Continued increase in technology through the expanded purchase of smart boards, laptop carts, and computer labs.
- Continued implementation of a discovery-based mathematics program.
- The continued implementation of a MAP testing program in grades 9-12.
- The implementation of a new Academy of Engineering.
- The distinction of becoming a New Jersey Choice School.
- The expansion of the Modeling Sciences courses.
- The addition of a new Character Education program including training on HIB and Character Education.

Administration:

- Expectations of teacher performance are being addressed through the implantation of the NJ Achieve Regulations for teacher and administrator evaluation components.
- The continued participation of teacher-led professional development.
- The district's adopted instructional model Classroom Instruction That Works has been fully implemented through staff and administrative training.
- The revision of responsibilities of the supervisory staff in the Curriculum department to provide further supervision at the school and classroom level.

Technology Initiatives:

- 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 in each building to assist in technology planning, integration, and training throughout the district.
- 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, 2015.

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,

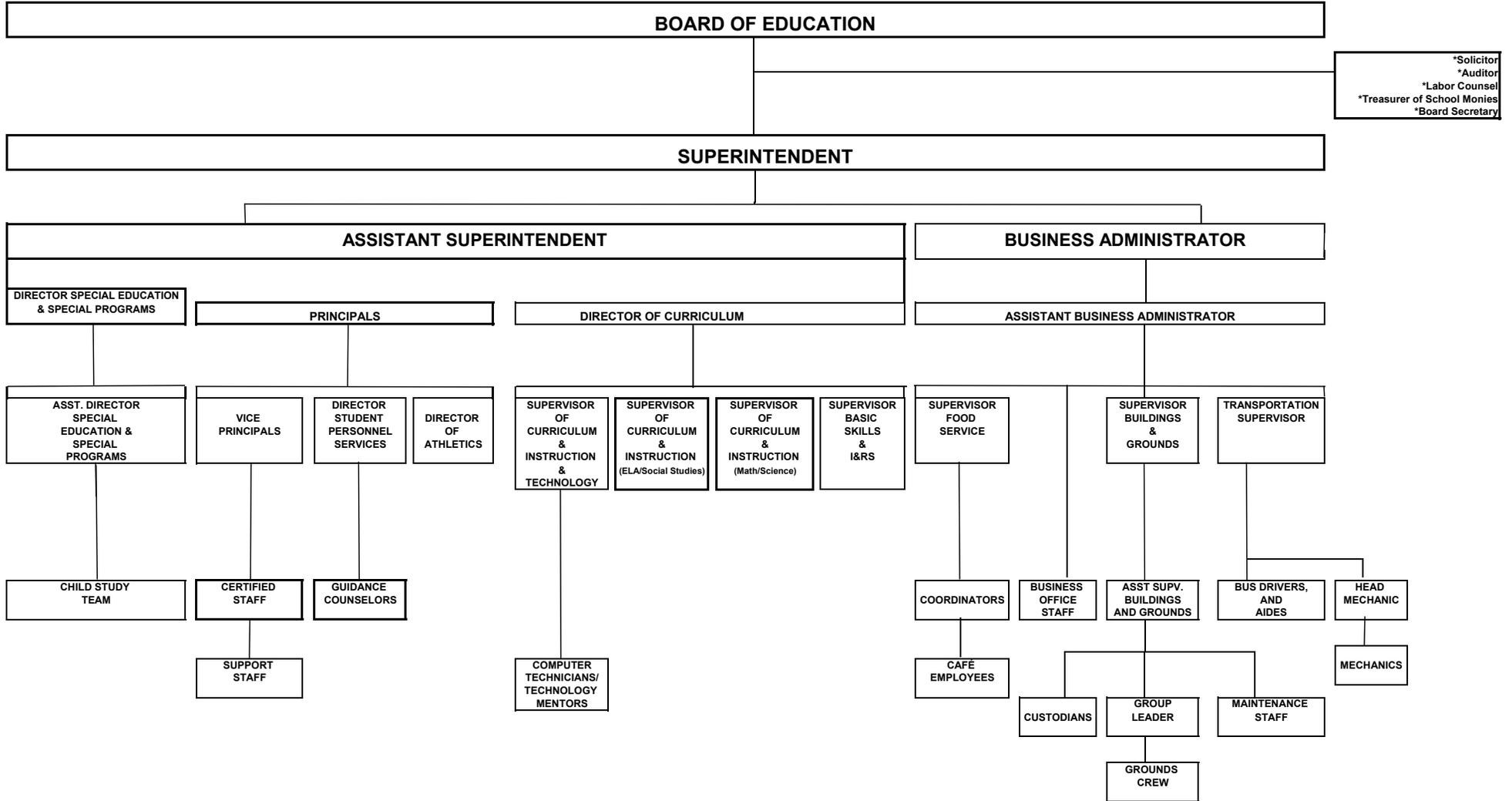


Dr. Charles R. Ford, Jr.
Superintendent



Michael Griggel
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, 2015

Members of the Board of Education

Term Expires

Joseph Wilson	2015
Stacy Gray	2015
Susan Kryszczak (Vice President)	2015
Marianne Covely	2016
Jeanine Donohue	2016
Linda Rosser	2016
Trevaline Jackson (President)	2017
Brian McDonald	2017
Matthew Villary	2017

Other Officials

Paul Spaventa, Interim Superintendent

Carolyn Morehead, Assistant Superintendent

Michael Griggel, School Business Administrator/Board Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

AUDIT FIRM

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

ATTORNEYS

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Capehart Scatchard
Laurel Corporate Center
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Mt. Laurel, NJ 08054

Frank Cavallo
Parker McCay
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mt. Laurel, NJ 08054

OFFICIAL DEPOSITORY

Wells Fargo Bank, N.A.
190 River Road
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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our 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 Administration and 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Because of the implementation of GASB Statements No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities has been restated, as discussed in note 18 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 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* in considering the Township of Deptford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 21 2015



**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**

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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 Administration and Finance, Department of Education, State of New Jersey, the 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, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 21, 2015. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of new accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Deptford School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Deptford School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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 21, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

The management's discussion and analysis of the Township of Deptford School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015 and 2014. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2015:

- During the fiscal year ended June 30, 2015 the School District was required to implement Governmental Accounting Standard Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*, see below discussion. In addition, the notes to the financial statements provide a more thorough discussion of the implementation of GASB 68 and the effects to the financial statements.
- The assets and deferred outflows of resources of the Township of Deptford School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,048,169 (net position).
- The School District's total net position decreased by \$1,668,442.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$6,308,995, a decrease of \$1,352,678 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$764,667, which is a decrease of \$119,365 in comparison with the prior year.
- The Township of Deptford School District's total debt decreased by \$1,050,000 as a result of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations *in more detail* than the government-wide statements.
- *Governmental funds* statements tell how basic services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short* and *long-term* financial information about the activities the School District operates *like businesses*, such as food services.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2015 and 2014.

TABLE 1				
Net Position				
	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 7,400,642	\$ 10,404,821	\$ (3,004,179)	-28.87%
Capital Assets	30,915,650	32,149,073	(1,233,423)	-3.84%
Total Assets	<u>38,316,292</u>	<u>42,553,894</u>	<u>(4,237,602)</u>	<u>-9.96%</u>
Deferred Outflows of Resources:				
Related to Pensions	2,500,371		2,500,371	100.00%
Liabilities:				
Long-Term Liabilities	33,528,444	10,008,203	23,520,241	235.01%
Other Liabilities	3,913,910	4,660,983	(747,073)	-16.03%
Total Liabilities	<u>37,442,354</u>	<u>14,669,186</u>	<u>22,773,168</u>	<u>155.24%</u>
Deferred Inflow of Resources - Related to Pensions	1,457,634	-	1,457,634	100.00%
Net Position:				
Net Investment in Capital Assets	22,274,201	22,274,504	(303)	0.00%
Restricted	6,963,929	8,432,412	(1,468,483)	-17.41%
Unrestricted (Deficit)	(27,321,455)	(2,822,208)	(24,499,247)	868.09%
	1,916,675	27,884,708	(25,968,033)	-93.13%
Restatement to Record the School District's				
Net Pension Liability and Pension Related				
Deferred Outflows of Resources per GASB 68	-	(24,299,591)	24,299,591	-100.00%
Total Net Position	<u>\$ 1,916,675</u>	<u>\$ 3,585,117</u>	<u>\$ (1,668,442)</u>	<u>-46.54%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 2,500,371		\$ 2,500,371	100.00%
Less: Net Pension Liability	(24,459,139)	\$ (24,299,591)	(159,548)	0.66%
Less: Deferred Inflows Related to Pensions	(1,457,634)		(1,457,634)	-100.00%
	<u>\$ (23,416,402)</u>	<u>\$ (24,299,591)</u>	<u>\$ 883,189</u>	<u>-3.63%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2015 and 2014.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 913,276	\$ 1,026,950	\$ (113,674)	-11.07%
Operating Grants and Contributions	3,689,471	3,707,042	(17,571)	-0.47%
General Revenues:				
Property Taxes	38,624,680	37,326,922	1,297,758	3.48%
Grants and Contributions not Restricted to Specific Programs	29,487,727	28,755,543	732,184	2.55%
Other	323,818	236,761	87,057	36.77%
Total Revenues	<u>73,038,972</u>	<u>71,053,218</u>	<u>1,985,754</u>	<u>2.79%</u>
Expenses:				
Instruction:				
Regular	24,140,864	32,376,995	(8,236,131)	-25.44%
Special Education	3,474,029	3,935,982	(461,953)	-11.74%
Other Special Instruction	1,637,303	2,080,031	(442,728)	-21.28%
Student Services:				
Tuition	4,757,738	4,239,302	518,436	12.23%
Student and Instruction Related	6,801,746	8,918,657	(2,116,911)	-23.74%
General Administrative Services	1,042,134	906,535	135,599	14.96%
School Administrative Services	2,706,266	5,381,720	(2,675,454)	-49.71%
Central Services	662,054		662,054	100.00%
Administrative Information Technology	934,583		934,583	100.00%
Plant Operations and Maintenance	6,074,793	7,957,213	(1,882,420)	-23.66%
Pupil Transportation	4,215,472	3,782,617	432,855	11.44%
Unallocated Benefits	16,059,331		16,059,331	100.00%
Transfer to Charter School	105,349		105,349	100.00%
Interest on Long-Term Debt	516,141	412,220	103,921	25.21%
Food Service	1,579,611	1,603,260	(23,649)	-1.48%
Total Expenses	<u>74,707,414</u>	<u>71,594,532</u>	<u>3,112,882</u>	<u>4.35%</u>
Increase (Decrease) in Net Position	(1,668,442)	(541,314)	(1,127,128)	2.08
Beginning Net Position	<u>3,585,117</u>	<u>28,426,022</u>	<u>(24,840,905)</u>	<u>-87.39%</u>
Ending Net Position	1,916,675	27,884,708	(25,968,033)	-93.13%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	-	(24,299,591)	24,299,591	-100.00%
Ending Net Position	<u>\$ 1,916,675</u>	<u>\$ 3,585,117</u>	<u>\$ (1,668,442)</u>	<u>-46.54%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities

In 2014-2015, Governmental Activities Revenues were \$71,470,375 or 97.87% of total revenues.

In 2013-2014, Governmental Activities Revenues were \$69,502,224 or 97.82% of total revenues.

In 2014-2015, General Revenues - Property Taxes of \$38,624,680 made up 54.04%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$29,487,727 made up 41.26% of Governmental Activities Revenues.

In 2013-2014, General Revenues - Property Taxes of \$37,326,922 made up 53.71%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$28,755,543 made up 41.37% of Governmental Activities Revenues.

In 2014-2015, the School District's Governmental Activities expenditures increased by \$2,988,690 or 4.27%.

Business-Type Activities

In 2014-2015 Business-Type Activities Revenues were \$1,552,250 or 2.13% of total revenues. In 2013-14 Business-Type Activities Revenues were \$1,550,994 or 2.18% of total revenues.

Charges for Services for Business-Type Activities were \$590,621 in 2014-2015 compared to \$600,421 in 2013-2014, a 1.63% decrease.

Operating Grants and Contributions for Business-Type Activities were \$953,844 in 2014-2015 compared to \$946,905 in 2013-2014, a 0.73% increase.

Expenses for Business-Type Activities were \$1,579,611 in 2014-2015 compared to \$1,603,260 in 2013-2014, a 1.48% decrease.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$60,987,660, which was equal to the original budget.

The 2014-2015 General Fund Tax Levy was \$37,188,880, an increase of \$1,302,988 or 3.48% from the 2013-2014 General Fund Tax Levy of \$35,885,892.

During fiscal year 2015, the School District budgeted \$37,188,880 for property taxes (local tax levy) and \$23,540,702 for state aid revenues.

The School District also received \$2,039,950 and \$3,688,110 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical and Pension Contributions, respectively. The Township of Deptford School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Pension and Medical Contributions of \$2,039,950 and \$3,688,110 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$65,692,290, which was greater than the original budget.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$6,308,995, a decrease of \$1,352,678 in comparison with the prior year.

Of the combined ending fund balances of \$6,308,995, \$847,999 constitutes unassigned fund balance deficits. The remainder of fund balance of \$7,156,994 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had \$72,303 in unrestricted net position.

CAPITAL ASSETS

The Township of Deptford School District's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$22,278,792 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Township of Deptford School District's investment in capital assets for the current fiscal year of 0.02%. The net increase was the result of the net effect of the 2015 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Land	\$ 210,136	\$ 210,136
Site Improvements	416,861	462,746
Building and Improvements	28,517,160	30,035,310
Equipment	<u>1,771,493</u>	<u>1,440,881</u>
 Total Capital Assets	 <u>\$ 30,915,650</u>	 <u>\$ 32,149,073</u>

Depreciation expense was \$2,523,609 for fiscal year ended 2015 and \$2,509,584 for fiscal year ended 2014.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Township of Deptford School District had total bonded debt outstanding of \$8,595,000. The entire Township of Deptford School District's bonded debt is governmental as opposed to business-type. The 2016 adopted budget has an appropriation of \$1,100,000 representing the payment of the annual principal. The 2002 refunding bonds will mature on February 1, 2022.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2014-15 school year, the Township of Deptford School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 52.00% of total revenue is from local tax levy and 45.10% of the Township of Deptford School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Township of Deptford Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Township of Deptford School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michael Griggel, Business Administrator/Board Secretary at the Township of Deptford School District, 2022 Good Intent Road, Deptford, New Jersey 08096.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 4,479,192	\$ 284,605	\$ 4,763,797
Receivables, net	1,399,805	214,037	1,613,842
Internal Balances	218,118	(218,118)	
Inventory		20,915	20,915
Restricted Assets:			
Capital Reserve Account - Cash	1,002,088		1,002,088
Capital Assets, net (Note 6)	<u>30,852,727</u>	<u>62,923</u>	<u>30,915,650</u>
Total Assets	<u>37,951,930</u>	<u>364,362</u>	<u>38,316,292</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pension (Note 9)	<u>2,500,371</u>		<u>2,500,371</u>
LIABILITIES:			
Accounts Payable	1,618,278	182,187	1,800,465
Payable to State Government	32,288		32,288
Unearned Revenue	290,186		290,186
Accrued Interest Payable	143,250		143,250
Noncurrent Liabilities (Note 7):			
Due within One Year	1,627,125	20,596	1,647,721
Due beyond One Year	<u>33,502,091</u>	<u>26,353</u>	<u>33,528,444</u>
Total Liabilities	<u>37,213,218</u>	<u>229,136</u>	<u>37,442,354</u>
DEFERRED INFLOW OF RESOURCES:			
Related to Pension (Note 9)	<u>1,457,634</u>		<u>1,457,634</u>
NET POSITION:			
Net Investment in Capital Assets	22,211,278	62,923	22,274,201
Restricted for:			
Other Purposes	6,963,929		6,963,929
Unrestricted (Deficit)	<u>(27,393,758)</u>	<u>72,303</u>	<u>(27,321,455)</u>
Total Net Position	<u>\$ 1,781,449</u>	<u>\$ 135,226</u>	<u>\$ 1,916,675</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 24,140,864		\$ 598,671	\$ (23,542,193)		\$ (23,542,193)
Special Education	3,474,029	\$ 322,655	428,507	(2,722,867)		(2,722,867)
Other Special Instruction	1,637,303			(1,637,303)		(1,637,303)
Support Services:						
Tuition	4,757,738		984,094	(3,773,644)		(3,773,644)
Student and Instruction Related Services	6,801,746		508,544	(6,293,202)		(6,293,202)
General Administrative Services	1,042,134			(1,042,134)		(1,042,134)
School Administrative Services	2,706,266			(2,706,266)		(2,706,266)
Central Services	662,054			(662,054)		(662,054)
Administrative Information Technology	934,583			(934,583)		(934,583)
Plant Operations and Maintenance	6,074,793			(6,074,793)		(6,074,793)
Pupil Transportation	4,215,472			(4,215,472)		(4,215,472)
Unallocated Benefits	16,059,331		215,811	(15,843,520)		(15,843,520)
Transfer to Charter School	105,349			(105,349)		(105,349)
Interest on Long-Term Debt	516,141			(516,141)		(516,141)
Total Governmental Activities	73,127,803	322,655	2,735,627	(70,069,521)	-	(70,069,521)
Business-Type Activities:						
Food Service	1,579,611	590,621	953,844		\$ (35,146)	(35,146)
Total Business-Type Activities	1,579,611	590,621	953,844	-	(35,146)	(35,146)
Total Primary Government	\$ 74,707,414	\$ 913,276	\$ 3,689,471	(70,069,521)	(35,146)	(70,104,667)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				37,188,880		37,188,880
Taxes Levied for Debt Service				1,435,800		1,435,800
Federal and State Aid Not Restricted				29,487,727		29,487,727
Interest and Investment Earnings				696	7,785	8,481
Miscellaneous Income				315,337		315,337
Total General Revenues				68,428,440	7,785	68,436,225
Change in Net Position				(1,641,081)	(27,361)	(1,668,442)
Net Position -- July 1 (Restated)				3,422,530	162,587	3,585,117
Net Position -- June 30				\$ 1,781,449	\$ 135,226	\$ 1,916,675

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 5,481,280				\$ 5,481,280
Accounts Receivable					
State	374,793	\$ 3,000			377,793
Federal		841,419			841,419
Other	180,593				180,593
Interfunds Receivable	757,957				757,957
Total Assets	\$ 6,794,623	\$ 844,419	\$ -	\$ -	\$ 7,639,042
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 385,949	\$ 65,438			\$ 451,387
Interfunds Payable		539,839			539,839
Payable to State Government		32,288			32,288
Unearned Revenue		290,186			290,186
Total Liabilities	385,949	927,751	-	-	1,313,700
Fund Balances:					
Restricted:					
Capital Reserve Account	2,502,088				2,502,088
Bus Advertising Revenue Reserve for Fuel Costs	2,415				2,415
Excess Surplus-- Designated for Subsequents Year's Expenditures	2,919,152				2,919,152
Excess Surplus	1,502,636				1,502,636
Assigned:					
Other Purposes	209,412				209,412
Designated for Subsequent Year's Expenditures	37,638				37,638
Unassigned (Deficit)	(764,667)	(83,332)			(847,999)
Total Fund Balances	6,408,674	(83,332)	-	-	6,325,342
Total Liabilities and Fund Balances	\$ 6,794,623	\$ 844,419	\$ -	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$68,550,402, and the accumulated depreciation is \$37,697,675.

30,852,727

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.

(10,670,047)

Accrued interest payable

(143,250)

Net Pension Liability

(24,459,169)

Accounts Payable related to the April 1, 2016 Required PERS pension contribution that is not to be liquidated with current financial resources.

(1,166,891)

Deferred Outflows of Resources - Related to Pensions

2,500,371

Deferred Inflows of Resources - Related to Pensions

(1,457,634)

Net Position of Governmental Activities

\$ 1,781,449

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 37,188,880			\$ 1,435,800	\$ 38,624,680
Tuition Charges	322,655				322,655
Interest	696				696
Unrestricted Miscellaneous Revenues	315,337				315,337
State Sources	29,370,397	\$ 876,698			30,247,095
Federal Sources	117,330	1,842,916			1,960,246
Local Sources		16,013			16,013
Total Revenues	67,315,295	2,735,627	-	1,435,800	71,486,722
EXPENDITURES:					
Current:					
Regular Instruction	22,321,816	598,671			22,920,487
Special Education Instruction	2,874,817	428,507			3,303,324
Other Special Instruction	1,545,530				1,545,530
Support Services and Undistributed Costs:					
Tuition	3,773,644	984,094			4,757,738
Student and Instruction Related Services	5,940,461	508,544			6,449,005
General Administrative Services	1,042,134				1,042,134
School Administrative Services	2,554,577				2,554,577
Central Services	624,945				624,945
Administrative Information Technology	882,199				882,199
Plant Operations and Maintenance	5,755,410				5,755,410
Pupil Transportation	4,215,472				4,215,472
Unallocated Benefits	15,583,342	192,257			15,775,599
Transfer to Charter School	105,349				105,349
Debt Service:					
Principal				1,050,000	1,050,000
Interest and Other Charges	147,841			385,800	533,641
Capital Outlay	1,264,533	43,110			1,307,643
Total Expenditures	68,632,070	2,755,183	-	1,435,800	72,823,053
Excess (Deficiency) of Revenues over Expenditures	(1,316,775)	(19,556)	-		(1,336,331)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In		25,205	-		25,205
Operating Transfers Out	(25,205)				(25,205)
Total Other Financing Sources and Uses	(25,205)	25,205	-	-	-
Net Change in Fund Balances	(1,341,980)	5,649	-	-	(1,336,331)
Fund Balance -- July 1	7,750,654	(88,981)	-	-	7,661,673
Fund Balance -- June 30	<u>\$ 6,408,674</u>	<u>\$ (83,332)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,325,342</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, 2015

Total Net Change in Fund Balances - Governmental Funds	\$	(1,336,331)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<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	\$	(2,523,609)
Capital Outlays		<u>1,307,643</u>
		(1,215,966)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		1,050,000
<p>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. (+)</p>		
		17,500
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.</p>		
		22,370
<p>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 (+).</p>		
		105,078
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>(283,732)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(1,641,081)</u></u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 284,605
Accounts Receivable:	
State	1,135
Federal	64,223
Other	148,679
Inventories	<u>20,915</u>
Total Current Assets	<u>519,557</u>
Noncurrent Assets:	
Equipment	511,801
Less Accumulated Depreciation	<u>(448,878)</u>
Total Noncurrent Assets	<u>62,923</u>
Total Assets	<u>582,480</u>
LIABILITIES:	
Current Liabilities:	
Interfund Payable	218,118
Accounts Payable	182,187
Compensated Absences Payable	<u>20,596</u>
Total Current Liabilities	<u>420,901</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>26,353</u>
Total Liabilities	<u>447,254</u>
NET POSITION:	
Net Investment In Capital Assets	62,923
Unrestricted	<u>72,303</u>
Total Net Position	<u>\$ 135,226</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 383,990
Daily Sales - Non-Reimbursable Programs	200,826
Special Functions	<u>5,805</u>
Total Operating Revenues	<u>590,621</u>
OPERATING EXPENSES:	
Salaries	700,745
Employee Benefits	127,780
Supplies and Materials	77,321
Cost of Sales	597,123
Other Purchased Services	3,640
Office and Uniform Expense	8,522
Equipment	5,217
Repairs and Maintenance	20,176
Bank Charges	8,607
Insurance and Fees	13,023
Depreciation	<u>17,457</u>
Total Operating Expenses	<u>1,579,611</u>
Operating Income (Loss)	<u>(988,990)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	15,938
Federal Sources:	
National School Lunch Program	629,057
School Breakfast Program	206,502
Healthy Hunger Free Kids Program	19,349
Special Milk Program	5,009
United States Department of Agriculture Commodities	77,989
Miscellaneous Revenue	<u>7,785</u>
Total Nonoperating Revenues	<u>961,629</u>
Change in Net Position	(27,361)
Net Position -- July 1	<u>162,587</u>
Net Position -- June 30	<u><u>\$ 135,226</u></u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 646,864
Payments to Employees	(693,164)
Payments for Employee Benefits	(127,780)
Payments to Suppliers	<u>(810,332)</u>
Net Cash Provided by (used for) Operating Activities	<u>(984,412)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from State and Federal Reimbursements	<u>986,910</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>986,910</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,498
Cash and Cash Equivalents -- July 1	<u>282,107</u>
Cash and Cash Equivalents -- June 30	<u>\$ 284,605</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>\$ (988,990)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	17,457
Federal Commodities	77,989
(Increase) Decrease in Inventories	5,295
(Increase) Decrease in Other Current Receivables	56,243
Increase (Decrease) in Other Current Liabilities	(159,987)
Increase (Decrease) in Compensated Absences Payable	<u>7,581</u>
Total Adjustments	<u>4,578</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (984,412)</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Fund</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 656,714	\$ 56,920	\$ 266,736	\$ 1,062,512
Total Assets	<u>656,714</u>	<u>56,920</u>	<u>\$ 266,736</u>	<u>\$ 1,062,512</u>
LIABILITIES:				
Net Payroll - Summer Salary Payable to Student Groups			\$ 266,736	\$ 1,062,512
Total Liabilities			<u>\$ 266,736</u>	<u>\$ 1,062,512</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purpose	<u>\$ 656,714</u>	<u>\$ 56,920</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 Position
Fiduciary Funds
For the Year Ended June 30, 2015

	<u>Private-Purposes Trust Funds</u>	
	<u>New Jersey Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 94,956	
Gifts and Contributions		\$ 6,050
	<u>94,956</u>	<u>6,050</u>
Investment Earnings:		
Interest on Investments	338	
	<u>338</u>	<u>-</u>
Net Investment Earnings		
	<u>338</u>	<u>-</u>
Total Additions	<u>95,294</u>	<u>6,050</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	86,221	
Scholarships Awarded		5,500
	<u>86,221</u>	<u>5,500</u>
Total Deductions	<u>86,221</u>	<u>5,500</u>
Change in Net Position	9,073	550
Net Position -- July 1	<u>647,641</u>	<u>56,370</u>
Net Position -- June 30	<u>\$ 656,714</u>	<u>\$ 56,920</u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Deptford School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

Description of the Reporting Entity

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"). 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 Superintendent is appointed by the Board to act as executive officer of the School District. 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, 2015 of 4,406.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board 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.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The following are the School District's major governmental funds:

General Fund - The general fund is the primary 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, ad valorem tax revenues, 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.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets, 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

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

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - 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). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - 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. The School District maintains the following private-purpose trust funds:

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. The budgets 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 year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on Exhibit C-1, 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 of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payment.

Encumbrances

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

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

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

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

Cash, Cash Equivalents and Investments

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

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 the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

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

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

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District maintains a capitalization threshold of \$2,000. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

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

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

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, 2015, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and Public Employees' Retirement System ("PERS") and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position (Cont'd)****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.

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

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended June 30, 2015, the School District adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the School District was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$24,299,591, and was recognized as a restatement of the School District's June 30, 2014 net position on the statement of activities (see note 18).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the School District in fiscal year 2016. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement will become effective for the School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the notes to the financial statements.

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 might not be recovered. 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 (GUDPA). Under the Act, the first \$250,000 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 agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of June 30, 2015, the School District's bank balance of \$8,116,349 was exposed to custodial credit risk as follows:

Insured by FDIC	\$	250,000
Insured under GUDPA		6,327,340
Uninsured/Uncollateralized		<u>1,539,009</u>
	\$	<u>8,116,349</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2015, the School District's deposits with the New Jersey Cash Management Fund were \$1,564,958.

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 or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained 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:23-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance July 1, 2014	\$	1,502,088
Deposits		1,500,000
Withdrawals		<u>(500,000)</u>
Ending Balance June 30, 2015	\$	<u>2,502,088</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted projects at June 30, 2015 is \$3,112,950. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLES

Accounts receivable at June 30, 2015 consisted of accounts (fees for services) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Fund</u>		<u>Total Business- Type Activities</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>			
Federal Awards		\$ 841,419	\$ 841,419	\$ 65,358	\$ 65,358	\$ 906,777	
State Awards	\$ 374,793		374,793			374,793	
Other	<u>180,583</u>	<u>3,000</u>	<u>183,583</u>	<u>148,679</u>	<u>148,679</u>	<u>332,262</u>	
Total	\$ <u>555,386</u>	\$ <u>844,419</u>	\$ <u>1,399,805</u>	\$ <u>214,037</u>	\$ <u>214,037</u>	\$ <u>1,597,496</u>	

Note 5: INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$ 5,588
Supplies	<u>15,327</u>
	\$ <u>20,915</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance July 30, 2015</u>
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 210,136			\$ 210,136
Total Capital Assets, not being Depreciated	<u>210,136</u>	<u>-</u>	<u>-</u>	<u>210,136</u>
Capital Assets, being Depreciated				
Site Improvements	1,016,326			1,016,326
Building and Improvements	56,616,798	\$ 625,221		57,242,019
Equipment	9,399,499	682,422		10,081,921
Total Capital Assets, being Depreciated	<u>67,032,623</u>	<u>1,455,484</u>	<u>-</u>	<u>68,340,266</u>
Less Accumulated Depreciation				
Land Improvements	(553,580)	(45,885)		(599,465)
Building and Improvements	(26,581,488)	(2,143,371)		(28,724,859)
Equipment	(8,038,998)	(334,353)		(8,373,351)
Total Accumulated Depreciation	<u>(35,174,066)</u>	<u>(2,523,609)</u>	<u>-</u>	<u>(37,697,675)</u>
Total Capital Assets, being Depreciated, Net	<u>31,858,557</u>	<u>(1,068,125)</u>	<u>-</u>	<u>30,642,591</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,068,693</u>	<u>\$ (1,068,125)</u>	<u>\$ -</u>	<u>\$ 30,852,727</u>
Business-Type Activities:				
Capital Assets, being Depreciated				
Equipment	\$ 511,801			\$ 511,801
Less Accumulated Depreciation	(431,421)	\$ (17,457)		(448,878)
Total Business-Type Activities Capital Assets, Net	<u>\$ 80,380</u>	<u>\$ (17,457)</u>	<u>\$ -</u>	<u>\$ 62,923</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Regular Instruction	\$ 1,322,178
Special Instruction	170,283
Other Special Instruction	91,546
Student & Instruction Related Services	358,109
School Administrative Services	240,585
Plant Operations and Maintenance	<u>340,908</u>
Total Depreciation – Governmental Activities	<u>\$ 2,523,609</u>
Business-Type Activities:	
Food Service	<u>\$ 17,457</u>
Total Depreciation – Business-Type Activities	<u>\$ 17,457</u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 9,645,000		\$ (1,050,000)	\$ 8,595,000	\$ 1,100,000
Other Liabilities:					
Net Pension Liability	24,299,591	\$ 159,578		24,459,169	
Obligations under Capital Lease	68,819		(22,370)	46,449	22,935
Compensated Absences	<u>2,133,676</u>	<u>397,220</u>	<u>(502,298)</u>	<u>2,028,598</u>	<u>504,190</u>
Total Other Liabilities	<u>26,502,086</u>	<u>556,798</u>	<u>(524,669)</u>	<u>26,534,216</u>	<u>527,125</u>
Governmental Activity					
Long-term Liabilities	<u>\$ 36,147,086</u>	<u>\$ 556,798</u>	<u>\$ (1,574,669)</u>	<u>\$ 35,129,216</u>	<u>\$ 1,627,125</u>

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while the compensated absences and net pension liability are liquidated by the general fund.

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

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Compensated Absences	\$ 39,368	\$ 9,785	\$ (2,204)	\$ 46,949	\$ 20,596

Compensated absences are liquidated by the food service fund.

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.

<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2006	\$ 10,000,000	2015 to 2022	4.00%	\$ 8,595,000

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,100,000	\$ 343,800	\$ 1,443,800
2017	1,140,000	299,800	1,439,800
2018	1,185,000	254,200	1,439,200
2019	1,225,000	206,800	1,431,800
2020	1,275,000	157,800	1,432,800
2021-2022	2,670,000	160,600	2,830,600
	<u>\$ 8,595,000</u>	<u>\$ 1,423,000</u>	<u>\$ 10,018,000</u>

Bonds Authorized But Not Issued - As of June 30, 2015, the School District had no authorized but not issued bonds.

Obligation under Capital Lease - The School District is leasing bus radios totaling \$114,746 under a capital lease. The capital lease is for a term of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2015.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 22,935	\$ 1,172	\$ 24,107
2017	23,514	593	24,107
	<u>\$ 46,449</u>	<u>\$ 1,765</u>	<u>\$ 48,214</u>

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

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	<u>\$ 132,594</u>
	<u>\$ 132,594</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$132,594.

Note 9: 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 ("TPAF") and the Public Employees' Retirement System ("PERS"), 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 plan is administered by Prudential Financial for 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
<http://www.state.nj.us/treasury/pensions>

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for certain enrollment tiers, but who earn salary of at least \$5,000 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The membership tiers for PERS are the same as noted above for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

Teachers' Pension and Annuity Fund (cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.34% of the School District's covered-employee payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2015 because of the 100.00% special funding situation with the State of New Jersey.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2015 was 12.46% of the School District's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$1,166,891 for the fiscal year ended June 30, 2015. Employee contributions were \$663,495 for the fiscal year ended June 30, 2015.

Defined Contribution Retirement Program - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

For the fiscal year ended June 30, 2015, employee contributions totaled \$1,842, and the School District recognized pension expense of \$1,005. There were no forfeitures during the fiscal year.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Teachers' Pension and Annuity Fund - At June 30, 2015, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District. The State's proportionate share of net pension liability, attributable to the School District is as follows:

School Districts Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>150,528,448</u>
	<u>\$ 150,528,448</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation of the State of New Jersey. For the fiscal year ended June 30, 2015, the School District recognized \$8,009,844 in revenue and expense, in the Government-Wide Financial Statements, for the State of New Jersey on-behalf TPAF pension contributions.

Public Employees' Retirement System - At June 30, 2015, the School District reported a liability of \$24,459,169 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the School District's proportion was .1306388697%, which was an increase of .0034956754% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized \$1,361,250, in the Government-Wide Financial Statements, for pension expense for PERS.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	769,128	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,457,634
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	564,352	-
School District Contributions Subsequent to the Measurement Date	<u>1,166,891</u>	<u>-</u>
	<u>\$ 2,500,371</u>	<u>\$ 1,457,634</u>

\$1,166,891 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

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

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2015	\$ (40,217)
2016	(40,217)
2017	(40,217)
2018	(40,217)
2019	25,495
Thereafter	<u>11,218</u>
	<u>\$ (124,154)</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.01%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2009 – June 30, 2012	July 1, 2008 – June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Actuarial Assumptions (cont'd)**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	TPAF		PERS	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%	6.00%	0.80%
Core Fixed Income	-	2.19%	-	-
Core Bonds	1.00%	1.38%	1.00%	2.49%
Short-Term Bonds	-	1.00%	-	-
Intermediate-Term Bonds	11.20%	2.60%	11.20%	2.26%
Long-Term Bonds	-	3.23%	-	-
Mortgages	2.50%	2.84%	2.50%	2.17%
High Yield Bonds	5.50%	4.15%	5.50%	4.82%
Non-US Fixed Income	-	1.41%	-	-
Inflation-Indexed Bonds	2.50%	1.30%	2.50%	3.51%
Broad US Equities	25.90%	5.88%	25.90%	8.22%
Large Cap US Equities	-	5.62%	-	-
Mid Cap US Equities	-	6.39%	-	-
Small Cap US Equities	-	7.39%	-	-
Developed Foreign Equities	12.70%	6.05%	12.70%	8.12%
Emerging Market Equities	6.50%	8.90%	6.50%	9.91%
Private Equity	8.25%	9.15%	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	3.85%	12.25%	4.92%
Real Estate (Property)	3.20%	4.43%	3.20%	5.80%
Real Estate (REITS)	-	5.58%	-	-
Commodities	2.50%	3.60%	2.50%	5.35%
Long Credit Bonds	-	3.74%	-	-
	<u>100.00%</u>		<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% for TPAF as of June 30, 2014 and 2013, respectively, and 5.39% and 5.55% for PERS as of June 30, 2014 and 2013, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**Teachers' Pension and Annuity Fund (TPAF)**

As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the School District is \$0 and the State's net pension liability attributable to the School District using a discount rate of 4.68%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>181,046,182</u>	<u>150,528,448</u>	<u>125,145,677</u>
	<u>\$181,046,182</u>	<u>\$ 150,428,448</u>	<u>\$125,145,677</u>

Public Employees' Retirement System (PERS)

The following presents the School District's proportionate share of the net pension liability at June 30, 2014 calculated using a discount rate of 5.39% for PERS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (cont'd)****Public Employees' Retirement System (PERS) (cont'd)**

	PERS		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 30,770,468</u>	<u>\$ 24,459,169</u>	<u>\$ 19,159,285</u>

Pension Plan Fiduciary Net Position

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

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs and post-retirement medical costs were \$1,425,356 and \$2,262,754, respectively.

Note 11: 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 12: 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.

Note 12: COMPENSATED ABSENCES (CONT'D)

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, with the exception of instructional paraprofessionals, are entitled to three personal days which may be carried forward to subsequent years. Instructional paraprofessionals are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' unit agreements with the various employee unions and included in the current years' budget.

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 two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' 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, 2015 the liability for compensated absences reported on the government-wide statement of net position was \$2,028,598.

Note 13: INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 757,957	
Special Revenue		\$ 539,839
Proprietary		218,118
	<u>\$ 757,957</u>	<u>\$ 757,957</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2016, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In: Special Revenue Fund</u>
General Fund	<u>\$ 25,205</u>
Total Transfers	<u>\$ 25,205</u>

The principal purposes of fund transfer made during the fiscal year was for preschool education aid.

Note 14: CONTINGENCIES

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

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

Note 15: CONCENTRATIONS

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

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$764,667 and \$83,332 in the General Fund and Special Revenue Fund respectively as of June 30, 2015 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 delayed one or more June state aid payments 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 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 payment, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments 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 GAAP funds statements of \$847,999 is less than the June state aid payments.

Note 17: 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:

Note 17: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****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, 2015 is \$1,502,636. Additionally, \$2,919,152 of excess fund balance generated during 2013-2014 has been restricted and designated for utilization in the 2015-2016 budget.

For Capital Reserve Account - As of June 30, 2015, the balance in the capital reserve account is \$2,502,088. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Legally Restricted Appropriations - In accordance with N.J.S.A. 18A:39-31, the School District has restricted \$2,415 of school bus advertising revenue to be designated for utilization in the 2015-2016 budget to offset fuel costs.

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

For Subsequent Year's Expenditures - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017, \$37,638 of general fund balance at June 30, 2015, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures.

Other Purposes - As of June 30, 2015, the School District had \$209,412 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, 2015, \$(764,667) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2015, the fund balance of the special revenue fund was a deficit of \$83,332, 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 16, 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 \$83,332 is less than the last state aid payment.

Note 18: RESTATEMENT OF NET POSITION

As indicated in note 1 to the financial statements, in fiscal year 2015, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the fiscal year ended June 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government-wide statement of activities was required to record the School District's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

	Net Position as Previously Reported <u>June 30, 2014</u>	<u>GASB 68 Implementation</u>			Net Position As Restated <u>June 30, 2014</u>
		<u>Net Pension Liability (1)</u>	<u>Deferred Outflows (2)</u>	<u>Accounts Payable (3)</u>	
Government Activities:					
Net Investment in Capital Assets	\$ 22,194,124				\$ 22,194,124
Reserve for:					
Other Purposes	8,432,412				8,432,412
Unrestricted (Deficit)	<u>(2,904,415)</u>	<u>\$ (24,299,591)</u>	<u>\$ 1,076,968</u>	<u>\$ (1,076,968)</u>	<u>(27,204,006)</u>
Total Net Position	<u>\$ 27,722,121</u>	<u>\$ (24,299,591)</u>	<u>\$ 1,076,968</u>	<u>\$ (1,076,968)</u>	<u>\$ 3,422,530</u>

- (1) Represents the School District's proportionate share of the Public Employees' Retirement System June 30, 2013 Net Pension Liability.
- (2) Represents the School District's beginning deferred outflow of resources for contributions subsequent to the measurement date, fiscal year 2013-2014 pension contribution paid.
- (3) Represents the School District's accounts payable for contributions subsequent to the measurement date, paid on April 1, 2015. The State of New Jersey Division of Pension and Benefits has an accounts receivable recorded in the PERS Plan Audit.

**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, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,093,380	\$ (73,367)	\$ 1,020,013	\$ 1,020,013	
Grades 1-5	8,481,760	165,344	8,647,104	8,638,188	\$ 8,916
Grades 6-8	4,513,206	18,300	4,531,506	4,528,006	3,500
Grades 9-12	5,308,665	9,838	5,318,503	5,318,503	-
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000	(11,123)	88,877	88,877	-
Purchased Services	80,000	(20,180)	59,820	59,820	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	323,662	21,649	345,311	345,311	-
Purchased Professional / Educational Services	669,925	25,101	695,026	687,448	7,578
Purchased Technical Services	69,764	241	70,005	55,148	14,857
Rentals	190,000	(51,140)	138,860	138,860	-
Other Purchased Services	43,005	430	43,435	40,312	3,123
Travel	12,010	3,441	15,451	11,853	3,598
General Supplies	1,448,331	(56,414)	1,391,917	1,330,902	61,015
Textbooks	72,601	(8,286)	64,315	57,206	7,109
Other Objects	4,324	(4,098)	226	184	42
Miscellaneous		3,324	3,324	1,185	2,139
Total Regular Programs	22,410,633	23,060	22,433,693	22,321,816	111,877
Special Education - Instruction:					
Cognitive - Moderate:					
Salaries of Teachers	166,590	49,522	216,112	216,112	-
Other Salaries for Instruction	97,740	(7,254)	90,486	90,486	-
General Supplies	7,975	(1,084)	6,891	6,891	-
Other Objects	1,496	(1,336)	160	160	-
Total Cognitive - Moderate	273,801	39,848	313,649	313,649	-
Learning and Language Disabled:					
Salaries of Teachers	478,644	137,347	615,991	615,991	-
Other Salaries for Instruction	211,770	129,458	341,228	341,228	-
General Supplies	9,585	(6,295)	3,290	3,290	-
Total Learning and Language Disabled	699,999	260,510	960,509	960,509	-

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 179,590	\$ 108,329	\$ 287,919	\$ 287,919	
Other Salaries for Instruction	161,850	18,927	180,777	180,777	
General Supplies	4,900		4,900	1,326	\$ 3,574
Total Behavioral Disabilities	<u>346,340</u>	<u>127,256</u>	<u>473,596</u>	<u>470,022</u>	<u>3,574</u>
Multiple Disabilities:					
Salaries of Teachers	277,435	19,147	296,582	296,582	-
Other Salaries for Instruction	195,480	29,450	224,930	185,706	39,224
General Supplies	12,400	(1,878)	10,522	6,315	4,207
Total Multiple Disabilities	<u>485,315</u>	<u>46,719</u>	<u>532,034</u>	<u>488,603</u>	<u>43,431</u>
Autism:					
Salaries of Teachers	235,690	15,425	251,115	251,115	-
Other Salaries for Instruction	162,900	-	162,900	154,026	8,874
General Supplies	2,000	(400)	1,600	1,268	332
Total Autism	<u>400,590</u>	<u>15,025</u>	<u>415,615</u>	<u>406,409</u>	<u>9,206</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	196,890	(61,305)	135,585	135,585	-
Other Salaries for Instruction	97,740	-	97,740	88,686	9,054
General Supplies	1,700	10,109	11,809	11,354	455
Total Preschool Disabilities - Part Time	<u>296,330</u>	<u>(51,196)</u>	<u>245,134</u>	<u>235,625</u>	<u>9,509</u>
Total Special Education - Instruction	<u>2,502,375</u>	<u>438,162</u>	<u>2,940,537</u>	<u>2,874,817</u>	<u>65,720</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	640,548	42,562	683,110	683,110	-
Total Basic Skills / Remedial - Instruction	<u>640,548</u>	<u>42,562</u>	<u>683,110</u>	<u>683,110</u>	<u>-</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 172,275	\$ 7,725	\$ 180,000	\$ 180,000	-
Total Bilingual Education - Instruction	<u>172,275</u>	<u>7,725</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	188,103	(16,571)	171,532	171,532	-
Purchased Services	1,500		1,500	1,500	\$ 1,500
General Supplies	25,894	12,720	38,614	32,171	6,443
Other Objects	9,100		9,100	8,757	343
Total School Sponsored Cocurricular Activities - Instruction	<u>224,597</u>	<u>(3,851)</u>	<u>220,746</u>	<u>212,460</u>	<u>8,286</u>
School Sponsored Athletics - Instruction:					
Salaries	336,721	(10,091)	326,630	326,630	
Purchased Services	29,000	(9,272)	19,728	15,810	3,918
General Supplies	49,690	13,279	62,969	54,735	8,234
Other Objects	32,900	150	33,050	32,965	85
Total School Sponsored Athletics - Instruction	<u>448,311</u>	<u>(5,934)</u>	<u>442,377</u>	<u>430,140</u>	<u>12,237</u>
Total Instruction	<u>26,398,739</u>	<u>501,724</u>	<u>26,900,463</u>	<u>26,702,343</u>	<u>198,120</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 180,000	\$ 6,857	\$ 186,857	\$ 186,294	\$ 563
Tuition to Other LEA's Within State - Special	249,290		249,290	226,198	23,092
Tuition to County Voc. School Dist. - Regular	540,000		540,000	477,060	62,940
Tuition to CSSD & Reg. Day Schools	2,026,410	49,861	2,076,271	2,076,271	-
Tuition to Private Schools for the Disabled - Within State	1,245,020	(282,353)	962,667	631,022	331,645
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	168,300		168,300	155,800	12,500
Tuition - State Facilities	17,699	3,300	20,999	20,999	-
Total Undistributed Expenditures - Instruction	<u>4,426,719</u>	<u>(222,335)</u>	<u>4,204,384</u>	<u>3,773,644</u>	<u>430,740</u>
Attendance and Social Work Services:					
Salaries	<u>68,027</u>	<u>3,300</u>	<u>71,327</u>	<u>71,327</u>	<u>-</u>
Total Attendance and Social Work Services	<u>68,027</u>	<u>3,300</u>	<u>71,327</u>	<u>71,327</u>	<u>-</u>
Undistributed Expenditures - Health Services:					
Salaries	431,591	14,728	446,319	433,386	12,933
Other Salaries	32,580		32,580	32,580	-
Purchased Professional and Technical Services	15,000	55,070	70,070	70,070	-
Supplies and Materials	19,075	(4,644)	14,431	14,265	166
Other Objects	2,575	(2,011)	564	564	-
Total Undistributed Expenditures - Health Services	<u>500,821</u>	<u>63,143</u>	<u>563,964</u>	<u>550,865</u>	<u>13,099</u>
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	578,510	(59,509)	519,001	519,001	-
Purchased Professional - Educational Services	10,492	42,752	53,244	53,244	-
Supplies and Materials	6,650	9	6,659	6,659	-
Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services	<u>595,652</u>	<u>(16,748)</u>	<u>578,904</u>	<u>578,904</u>	<u>-</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	<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 - Other Support Services -					
Students - Extraordinary:					
Salaries					
Other Salaries from Instruction	\$ 1,018,472	\$ 144,698	\$ 1,163,170	\$ 1,163,170	-
Purchased Professional - Educational Services	271,520	(48,445)	223,075	222,800	\$ 275
Supplies and Materials	18,000	(5,196)	12,804	12,804	-
	<u>1,307,992</u>	<u>91,057</u>	<u>1,399,049</u>	<u>1,398,774</u>	<u>275</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Extraordinary					
	<u>1,307,992</u>	<u>91,057</u>	<u>1,399,049</u>	<u>1,398,774</u>	<u>275</u>
Undistributed Expenditures - Other Support Services -					
Guidance:					
Salaries of Other Professional Staff	831,900	(6,900)	825,000	825,000	-
Salaries of Secretarial and Clerical Assistants	106,692	1,111	107,803	107,803	-
Supplies and Materials	6,112	5,138	11,250	11,250	-
Other Objects	1,480	193	1,673	1,673	-
	<u>946,184</u>	<u>(458)</u>	<u>945,726</u>	<u>945,726</u>	<u>-</u>
Total Undistributed Expenditures - Other Support Services -					
Guidance					
	<u>946,184</u>	<u>(458)</u>	<u>945,726</u>	<u>945,726</u>	<u>-</u>
Undistributed Expenditures - Other Support Services -					
Child Study Teams:					
Salaries of Other Professional Staff	829,530	(1,743)	827,787	827,787	-
Salaries of Secretarial and Clerical Assistants	85,474		85,474	85,474	-
Other Salaries	195,146	(4,219)	190,927	190,927	-
Other Professional/Tech Services	19,407	(960)	18,447	18,447	-
Travel		2,678	2,678	2,678	-
Supplies and Materials	25,300	(6,686)	18,614	18,614	-
Other Objects	7,040	(6,143)	897	897	-
	<u>1,161,897</u>	<u>(17,073)</u>	<u>1,144,824</u>	<u>1,144,824</u>	<u>-</u>
Total Undistributed Expenditures - Other Support Services -					
Child Study Teams					
	<u>1,161,897</u>	<u>(17,073)</u>	<u>1,144,824</u>	<u>1,144,824</u>	<u>-</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 214,487	\$ 26,148	\$ 240,635	\$ 240,635	
Salaries of Secretarial and Clerical Assistants	59,041		59,041	59,041	
Total Undistributed Expenditures - Improvement of Instruction Services	273,528	26,148	299,676	299,676	
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	455,580	(75,962)	379,618	324,962	\$ 54,656
Salaries of Secretarial and Clerical Assistance	32,252		32,252	32,252	-
Salaries of Technology Coordinators	134,513	42,087	176,600	173,363	3,237
Other Purchased Services	3,834	(200)	3,634	1,112	2,522
Supplies and Materials	61,470	(9,421)	52,049	51,016	1,033
Total Undistributed Expend. - Educational Media Services / Sch Library	687,649	(43,496)	644,153	582,705	61,448
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	121,412	30,969	152,381	152,381	-
Salaries of Secretarial and Clerical Assistance	25,303		25,303	25,303	-
Other Salaries	83,580	3,020	86,600	86,600	-
Purchased Professional-Education services	21,586	2,350	23,936	23,045	891
Other Purchased Services	37,789	2,126	39,915	24,120	15,795
Total Undistributed Expenditures - Instructional Staff Training Services	289,670	38,465	328,135	311,449	16,686

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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	<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 - Support Services - General Administration:					
Salaries					
Salaries of Other Professional Staff	\$ 419,353	\$ 13,931	\$ 433,284	\$ 433,284	
Salaries of Secretarial and Clerical Assistance		102,964	102,964	102,964	
Legal Services	120,000	43,857	163,857	163,857	
Audit Fees	38,000		38,000	38,000	
Other Purchased Professional Services	4,500	3,825	8,325	8,325	
Purchased Technical Services	4,500		4,500	4,500	
Communications / Telephone	83,750	(19,141)	64,609	64,609	
Travel	1,500	(1,319)	181	181	
BOE Other Purch. Serv	154,002	(153,429)	573	573	
Misc Other Purchased Services		165,829	165,829	165,829	
General Supplies	8,000	13,782	21,782	21,758	\$ 24
Miscellaneous Expenditures	5,400	847	6,247	6,247	-
BOE Membership Dues and Fees	25,919	6,088	32,007	32,007	-
Total Undistributed Expenditures - Support Services - General Admin	864,924	177,234	1,042,158	1,042,134	24
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals / Program Directors	1,770,034	(11,981)	1,758,053	1,732,981	25,072
Salaries of Secretarial and Clerical Assistants	747,229	9,781	757,010	748,547	8,463
Other Purchased Services (400-500 series)	25,825	(24,436)	1,389	1,389	-
Travel		917	917	917	-
General Supplies	44,954	(15,991)	28,963	28,963	-
Other Objects	45,702	(3,922)	41,780	41,780	-
Total Undistributed Expenditures - Support Services - School Admin.	2,633,744	(45,632)	2,588,112	2,554,577	33,535

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Central Services:					
Salaries of Other Professional Staff	\$ 225,267	\$ 34,979	\$ 260,246	\$ 260,246	
Salaries of Secretarial and Clerical Assistants	266,023	(26,621)	239,402	239,402	
Purchased Technical Services	13,000	49,523	62,523	62,523	
Travel	2,000	1,074	3,074	3,074	
Miscellaneous Purchased Services	33,982	(3,236)	30,746	30,746	
General Supplies	15,000	(403)	14,597	14,597	
Miscellaneous Expenditures	2,370	11,987	14,357	14,357	
Total Undistributed Expenditures - Central Services	557,642	67,303	624,945	624,945	
Undistributed Expenditures - Admin. Info. Technology:					
Salaries of Other Professional Staff	224,210	(31,987)	192,223	192,223	
Salaries of Secretarial and Clerical Assistants	98,201	(1)	98,200	98,200	
Other Salaries	24,500	(7,757)	16,743	16,743	
Purchased Professional Services	151,850	122,901	274,751	274,751	
Other Purchased Services	79,550	(15,182)	64,368	64,368	
General Supplies	198,865	33,404	232,269	232,269	
Other Objects	6,205	(2,560)	3,645	3,645	
Total Undistributed Expenditures - Admin. Info. Technology	783,381	98,818	882,199	882,199	
Undistributed Expenditures - Allowable Maintenance for Sch Facilities:					
Salaries	166,819	40,000	206,819	205,937	\$ 882
Cleaning, Repair and Maintenance Services	74,000	(39,869)	34,131	34,009	122
General Supplies	17,500	(131)	17,369	6,397	10,972
Total Undistributed Expenditures - Allowable Maintenance for Sch Facilities	258,319	-	258,319	246,343	11,976

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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	<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 of Other Professional Staff	\$ 164,144	\$ (23,685)	\$ 140,459	\$ 140,459	
Salaries of Secreterial and Clerical Assistants	34,111		34,111	34,111	
Salaries of Non-Instructional Aides	239,838	4,515	244,353	243,553	\$ 800
Other Salaries	2,212,286	164,135	2,376,421	2,376,421	-
Purchased Professional and Technical Services	140,000	(127,502)	12,498	10,329	2,169
Cleaning, Repair and Maintenance Services	282,330	47,970	330,300	330,300	-
Other Purchased Property Services	313,500	(240,208)	73,292	73,292	-
Insurance	166,797		166,797	166,797	-
General Supplies	368,209	(11,247)	356,962	353,222	3,740
Energy (Heat and Electricity)	1,100,000	40,457	1,140,457	1,140,457	-
Other Objects	4,000		4,000	3,967	33
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>5,025,215</u>	<u>(145,565)</u>	<u>4,879,650</u>	<u>4,872,908</u>	<u>6,742</u>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	385,727	94,170	479,897	479,897	-
Cleaning, Repair, and Maintenance Services		10,200	10,200	10,200	-
General Supplies	163,000	(52,658)	110,342	58,676	51,666
Total Undistributed Expenditures - Care & Upkeep Grounds	<u>548,727</u>	<u>51,712</u>	<u>600,439</u>	<u>548,773</u>	<u>51,666</u>
Undistributed Expenditures - Security Services:					
Cleaning, Repair, and Maintenance Services		127,693	127,693	87,386	40,307
Total Undistributed Expenditures - Security Services	<u>-</u>	<u>127,693</u>	<u>127,693</u>	<u>87,386</u>	<u>40,307</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Student Transportation Services:					
Salaries of Other Professional Staff	\$ 157,875	\$ (23,899)	\$ 133,976	\$ 133,976	
Salaries of Secretarial and Clerical Assistants	76,390		76,390	76,390	
Salaries for Non-Instructional Aides	265,400	(64,542)	200,858	200,858	
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,455,150	(150,133)	1,305,017	1,305,017	
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	263,870	(71,230)	192,640	192,640	
Sal for Pupil Trans (Other than Bet. Home & Sch)	92,906	(80,265)	12,641	12,641	
Transportation Software		5,474	5,474	5,474	
Cleaning, Repair and Maintenance Services	55,000	18,073	73,073	73,073	
Lease Payments		22,371	22,371	22,371	
Contracted Services - Aid in Lieu of Payments - NonPub Sch	120,000	56,127	176,127	176,127	
Contracted Services - (Between Home and School) - Vendors	450,000	(37,772)	412,228	387,480	\$ 24,748
Contracted Services - (Other than Bet Home & Sch) - Vendors	52,000	(19,587)	32,413	32,413	-
Contracted Services - (Special Education) - Joint Agreement	600,000	528,598	1,128,598	1,128,598	-
Travel	1,000	(700)	300	300	-
Miscellaneous Purchased Services - Transportation	98,195	(53,600)	44,595	44,595	-
General Supplies	5,000	(4,793)	207	207	-
Transportation Supplies	450,000	(6,909)	443,091	410,306	32,785
Interest Payments	1,737	(1)	1,736	1,736	-
Miscellaneous Expenditures	9,850	1,420	11,270	11,270	-
Total Undistributed Expenditures - Student Transportation Services	<u>4,154,373</u>	<u>118,632</u>	<u>4,273,005</u>	<u>4,215,472</u>	<u>57,533</u>

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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
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	<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	\$ 895,000	\$ 42,268	\$ 937,268	\$ 915,042	\$ 22,226
Other Retirement Contributions - PERS	1,326,402	(35,834)	1,290,568	1,132,832	157,736
Workman's Compensation	386,717		386,717	386,717	-
Health Benefits	9,177,638	(514,429)	8,663,209	7,244,085	1,419,124
Tuition Reimbursement	40,000		40,000	22,768	17,232
Other Employee Benefits	154,634		154,634	153,838	796
Total Unallocated Benefits	11,980,391	(507,995)	11,472,396	9,855,282	1,617,114
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				1,425,356	(1,425,356)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,039,950	(2,039,950)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,262,754	(2,262,754)
Total On-behalf Contributions	-	-	-	5,728,060	(5,728,060)
Total Undistributed Expenditures	37,064,855	(135,797)	36,929,058	40,315,973	(3,386,915)
Total Current Expense	63,463,594	365,927	63,829,521	67,018,316	(3,188,795)
Capital Outlay:					
Equipment:					
Grades 1-5	30,029	62,614	92,643	92,643	-
Grades 6-8		94,407	94,407	94,407	-
Grades 9-12	19,400	105,244	124,644	124,644	-
Athletic		19,060	19,060	19,060	-
Undistributed Expenditures:					
Central Services		6,000	6,000	6,000	-
Admin Info Tech	10,000	(3,076)	6,924	6,924	-
Custodial Services	186,000	(81,061)	104,939	64,004	40,935
Student Trans. Non-Inst. Equip.	22,367	(4,237)	18,130	18,130	-
School Buses- Regular	225,000	31,610	256,610	256,610	-
Total Equipment	492,796	230,561	723,357	682,422	40,935

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TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional / Technical Services	\$ 712,076	\$ 31,527	\$ 743,603	\$ 556,311	\$ 187,292
Assesment for Debt Service on SDA Funding	147,841		147,841	147,841	-
Construction Services		25,800	25,800	25,800	-
Total Facilities Acquisition and Construction Services	859,917	57,327	917,244	729,952	187,292
Total Capital Outlay	1,352,713	287,888	1,640,601	1,412,374	228,227
Other Special Schools - Instruction:					
Salaries of Teachers	25,920	6,360	32,280	23,740	8,540
Other Salaries for Instruction	14,400	2,229	16,629	12,985	3,644
General Supplies	6,000		6,000	3,095	2,905
Total Other Special Schools - Instruction	46,320	8589.00	54,909	39,820	15,089
Other Special Schools - Support Services:					
Salaries	17,280	3,945	21,225	18,060	3,165
Salaries of Principal and Assistant	28,800	4,080	32,880	31,076	1,804
Salaries of Secreterial and Clerical Assistant	7,200	605	7,805	7,075	730
Total Other Special Schools - Support Services	53,280	8,630	61,910	56,211	5,699
Total Special Schools	99,600	17,219	116,819	96,031	20,788
Transfer of Funds to Charter Schools	65,184	40,165	105,349	105,349	-
Total Expenditures	64,981,091	711,199	65,692,290	68,632,070	(2,939,780)

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,993,431)	\$ (711,199)	\$ (4,704,630)	\$ (1,314,490)	\$ (3,390,140)
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund - Regular		(515,325)	(515,325)	(25,205)	(490,120)
Total Other Financing Sources (Uses)	-	(515,325)	(515,325)	(25,205)	(490,120)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,993,431)	(1,226,524)	(5,219,955)	(1,339,695)	(3,880,260)
Fund Balances, July 1	9,875,540	-	9,875,540	9,875,540	-
Fund Balances, June 30	<u>\$ 5,882,109</u>	<u>\$ (1,226,524)</u>	<u>\$ 4,655,585</u>	<u>\$ 8,535,845</u>	<u>\$ (3,880,260)</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 2,502,088	
Bus Advertising Reserved for Fuel Costs				2,415	
Excess Surplus				1,502,636	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,919,152	
Assigned:					
Year-End Encumbrances				209,412	
Designated for Subsequent Year's Expenditures				37,638	
Unassigned				<u>1,362,504</u>	
				8,535,845	
Reconciliation to Governmental Funds Statements(GAAP):					
Last 14-15 State Aid Payment Not Recognized on GAAP Basis				<u>(2,127,171)</u>	
				<u>\$ 6,408,674</u>	

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Grants	_____	\$ 19,060	\$ 19,060	\$ 15,513	\$ (3,547)
Total - Local Sources	_____	19,060	19,060	15,513	(3,547)
State Sources:					
NJ Non-Public Nursing	\$ 11,734	3,537	15,271	15,271	-
NJ Non-Public Textbook Aid	8,337	1,255	9,592	9,499	(93)
NJ Non-Public Technology	3,040	2,112	5,152	4,978	(174)
Chapter 192 - Auxiliary Services	73,797	(16,094)	57,703	43,739	(13,964)
Chapter 193 - Handicapped Services	46,990	26,369	73,359	55,302	(18,057)
Preschool Education Aid	833,316	_____	833,316	833,316	-
Total - State Sources	977,214	17,179	994,393	962,105	(32,288)
Federal Sources:					
Title I	382,482	150,069	532,551	457,437	(75,114)
Title IIA	96,251	15,844	112,095	104,114	(7,981)
Title III	9,533	5,391	14,924	7,779	(7,145)
Title III Immigrant	_____	9,064	9,064	1,292	(7,772)
ROTC	_____	93,049	93,049	91,147	(1,902)
I.D.E.I.A., Part B	903,617	249,739	1,153,356	1,139,322	(14,034)
I.D.E.I.A., Part B, Preschool Incentive	33,691	863	34,554	34,533	(21)
Race To The Top	_____	6,914	6,914	4,835	(2,079)
CDC HIV/Pregnancy	_____	5,000	5,000	861	(4,139)
Total - Federal Sources	1,425,574	535,933	1,961,507	1,841,320	(120,187)
Total Revenues	2,402,788	572,172	2,974,960	2,818,938	(156,022)

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 965,158	\$ 74,339	\$ 1,039,497	\$ 662,453	\$ 377,044
Other Salaries for Instruction	309,510	(32,936)	276,574	145,710	130,864
Purchased Professional and Technical Services	889,658	(739,325)	150,333	118,162	32,171
General Supplies	84,567	15,982	100,549	84,150	16,399
Tuition		990,529	990,529	984,094	6,435
Other Objects		3,839	3,839	2,828	1,011
Total Instruction	<u>2,248,893</u>	<u>312,428</u>	<u>2,561,321</u>	<u>1,997,397</u>	<u>563,924</u>
Support Services:					
Salaries Personal Services	149,519	95,313	244,832	219,015	25,817
Personal Services - Employee Benefits	234,942	(1,477)	233,465	192,257	41,208
Purchased Professional - Educational Services	284,759	(3,912)	280,847	271,686	9,161
Other Purchased Services (400-500 series)		27,431	27,431	22,386	5,045
Supplies and Materials		7,570	7,570	6,583	987
Other Objects		653	653	653	-
Total Support Services	<u>669,220</u>	<u>125,578</u>	<u>794,798</u>	<u>712,580</u>	<u>82,218</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		134,166	134,166	134,166	
Total Facilities Acquisition and Construction Services		<u>134,166</u>	<u>134,166</u>	<u>134,166</u>	
Total Expenditures	<u>2,918,113</u>	<u>572,172</u>	<u>3,490,285</u>	<u>2,844,143</u>	<u>646,142</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	515,325		515,325	25,205	490,120
Total Outflows	<u>2,402,788</u>	<u>572,172</u>	<u>2,974,960</u>	<u>2,818,938</u>	<u>156,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2015

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	\$ 67,317,580	\$ 2,818,938
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		(92,056)
Prior Year		3,096
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)	2,124,886	88,981
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)	<u>(2,127,171)</u>	<u>(83,332)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 67,315,295</u>	<u>\$ 2,735,627</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 68,632,070	\$ 2,844,143
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		(92,056)
Prior Year		3,096
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 68,632,070</u>	<u>\$ 2,755,183</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**ACCOUNTING AND REPORTING FOR PENSIONS
(GASBS NO. 68) SCHEDULES**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1306388697%	0.1271431943%
School District's Proportionate Share of the Net Pension \$	25,459,169	\$ 24,299,591
School District's Covered-Employee Payroll	8,833,369	8,833,087
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Empl	288.22%	275.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Two Fiscal Years

	<u>Fiscal Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,166,891	\$ 1,076,968
Contributions in Relation to the Contractually Required Contribution	<u>(1,166,891)</u>	<u>(1,076,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 9,365,859	\$ 8,833,369
Contributions as a Percentage of School District's Covered-Employee Payroll	12.46%	12.19%

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability \$	-	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>150,528,448</u>	<u>139,598,239</u>
	<u>\$ 150,528,448</u>	<u>\$ 139,598,239</u>
School District's Covered-Employee Payroll	\$ 27,007,774	\$ 26,085,030
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	557.35%	535.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2015

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

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, 2015

	<u>Total</u>	<u>Local Grants</u>	<u>Chapter 192</u>		<u>Chapter 193</u>			<u>Total Carried Forward</u>
			<u>Nonpublic Compensatory Education</u>	<u>Nonpublic Transportation</u>	<u>Nonpublic Examination and Classification</u>	<u>Nonpublic Corrective Speech</u>	<u>Nonpublic Supplementary Instruction</u>	
REVENUES:								
Federal Sources	\$ 1,841,320							\$ 1,841,320
State Sources	962,105		\$ 36,728	\$ 7,011	\$ 23,959	\$ 17,140	\$ 14,203	863,064
Local Sources	15,513	\$ 15,513						-
Total Revenues	\$ 2,818,938	\$ 15,513	\$ 36,728	\$ 7,011	\$ 23,959	\$ 17,140	\$ 14,203	\$ 2,704,384
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 662,453							\$ 662,453
Other Salaries for Instruction	145,710							145,710
Purchased Professional and Technical Services	118,162		\$ 36,728	\$ 7,011	\$ 23,959	\$ 17,140	\$ 14,203	19,121
Other Purchased Services	-							-
General Supplies	84,150	\$ 14,524						69,626
Tuition	984,094							984,094
Other Objects	2,828	989						1,839
Total Instruction	1,997,397	15,513	36,728	7,011	23,959	17,140	14,203	1,882,843
Support Services:								
Salaries Personal Services	219,015							219,015
Personal Services - Employee Benefits	192,257							192,257
Purchased Professional - Educational Services	271,686							271,686
Purchased Technical Services	-							-
Other Purchased Services (400-500 series)	22,386							22,386
Supplies and Materials	6,583							6,583
Other Objects	653							653
Total Support Services	712,580	-	-	-	-	-	-	712,580
Facilities Acquisition and Construction Services:								
Instructional Equipment	134,166							134,166
Total Facilities Acquisition and Construction Services	134,166	-	-	-	-	-	-	134,166
Total Expenditures	2,844,143	15,513	36,728	7,011	23,959	17,140	14,203	2,729,589
Other Financing Sources (Uses):								
Transfer from Operating Budget - Pre K	25,205							25,205
Total Outflows	2,818,938	15,513	36,728	7,011	23,959	17,140	14,203	2,704,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2015

	Total Carried Forward	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Nursing	Preschool Education Aid	Title I Part A	Title II Part A	Total Brought Forward
REVENUES:								
Federal Sources	\$ 1,841,320					\$ 457,437	\$ 104,114	\$ 1,279,769
State Sources	863,064	\$ 9,499	\$ 4,978	\$ 15,271	\$ 833,316			-
Local Sources	-							-
Total Revenues	\$ 2,704,384	\$ 9,499	\$ 4,978	\$ 15,271	\$ 833,316	\$ 457,437	\$ 104,114	\$ 1,279,769
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 662,453				\$ 233,946	\$ 341,399		\$ 87,108
Other Salaries for Instruction	145,710				145,710			-
Purchased Professional and Technical Services	19,121			\$ 15,271	3,850			-
Other Purchased Services	-							-
General Supplies	69,626		\$ 4,978		32,786	27,488		4,374
Tuition	984,094							984,094
Other Objects	1,839							1,839
Total Instruction	1,882,843	-	4,978	15,271	416,292	368,887	-	1,077,415
Support Services:								
Salaries Personal Services	219,015				165,505	9,748	\$ 40,597	3,165
Personal Services - Employee Benefits	192,257				136,415	52,402	3,106	334
Purchased Professional - Educational Services	271,686	\$ 9,499				22,701	44,925	194,561
Purchased Technical Services	-							-
Other Purchased Services (400-500 series)	22,386					3,699	15,046	3,641
Supplies and Materials	6,583				6,143		440	-
Other Objects	653							653
Total Support Services	712,580	9,499	-	-	308,063	88,550	104,114	202,354
Facilities Acquisition and Construction Services:								
Instructional Equipment	134,166				134,166			
Total Facilities Acquisition and Construction Services	134,166	-	-	-	134,166	-	-	-
Total Expenditures	2,729,589	9,499	4,978	15,271	858,521	457,437.00	104,114.00	1,279,769
Other Financing Sources (Uses):								
Transfer from Operating Budget - Pre K	25,205				25,205			
Total Outflows	2,704,384	9,499	4,978	15,271	833,316	457,437	104,114	1,279,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2015

	Total Carried Forward	Title III	Title III Immigrant	NJROTC	I.D.E.I.A. Part B Basic	I.D.E.I.A. Part B Preschool	Race To The Top	CDC HIV Teen Pregnancy
REVENUES:								
Federal Sources	\$ 1,279,769	\$ 7,779	\$ 1,292	\$ 91,147	\$ 1,139,322	\$ 34,533	\$ 4,835	\$ 861
State Sources	-							
Local Sources	-							
Total Revenues	\$ 1,279,769	\$ 7,779	\$ 1,292	\$ 91,147	\$ 1,139,322	\$ 34,533	\$ 4,835	\$ 861
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 87,108		\$ 1,200	\$ 85,908				
Other Salaries for Instruction	-							
Purchased Professional and Technical Services	-							
Other Purchased Services	-							
General Supplies	4,374	\$ 939		3,400			\$ 35	
Tuition	984,094				\$ 950,018	\$ 34,076		
Other Objects	1,839			1,839				
Total Instruction	1,077,415	939	1,200	91,147	950,018	34,076	35	-
Support Services:								
Salaries Personal Services	3,165	3,165						
Personal Services - Employee Benefits	334	242	92					
Purchased Professional - Educational Services	194,561				189,304	457	4,800	
Purchased Technical Services	-							
Other Purchased Services (400-500 series)	3,641	3,433						\$ 208
Supplies and Materials	-							
Other Objects	653							653
Total Support Services	202,354	6,840	92	-	189,304	457	4,800	861
Facilities Acquisition and Construction Services:								
Instructional Equipment	-							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-
Total Expenditures	1,279,769	7,779	1,292	91,147	1,139,322	34,533.00	4,835.00	861
Other Financing Sources (Uses):								
Transfer from Operating Budget - Pre K								
Total Outflows	1,279,769	7,779	1,292	91,147	1,139,322	34,533	4,835	861
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule - Budgetary Basis
Year Ended June 30, 2015

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction			
Salaries of Teachers	\$ 233,946	\$ 233,946	
Other Salaries for Instruction	240,868	145,710	\$ 95,158
Purchased Professional and Technical Services	3,850	3,850	
Supplies	32,786	32,786	
	<u>511,450</u>	<u>416,292</u>	<u>95,158</u>
Total Instruction			
Support services			
Salaries Personal Services	165,505	165,505	
Personal Services - Employee Benefits	136,415	136,415	
Supplies	6,143	6,143	
	<u>308,063</u>	<u>308,063</u>	<u>-</u>
Total Support Services			
Facilities Acquisition and Construction Services:			
Instructional Equipment	134,166	134,166	
	<u>134,166</u>	<u>134,166</u>	
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 953,679</u>	<u>\$ 858,521</u>	<u>\$ 95,158</u>

Calculation of Budget and Carryover

2014-15 Revised Preschool Education Aid Allocation	\$ 833,316
Add: Actual ECPA Carryover (June 30, 2014)	95,158
Add: Actual Transfer from General Fund 2014-2015	<u>25,205</u>
Total Preschool Education Aid Funds Available for 2014-15 Budget	953,679
Less: 2014-15 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(953,679)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add: 2014-15 Unexpended Preschool Education Aid	<u>95,158</u>
2014-15 Preschool Education Aid Actual Carryover	<u>\$ 95,158</u>

PROPRIETARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Proprietary Fund
 Statement of Net Position
 June 30, 2015

	Business-Type Activities - <u>Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 284,605
Accounts Receivable:	
State	1,135
Federal	64,223
Other	148,679
Inventories	20,915
Total Current Assets	519,557
Noncurrent Assets:	
Furniture, Machinery and Equipment	511,801
Less Accumulated Depreciation	(448,878)
Total Noncurrent Assets	62,923
Total Assets	582,480
LIABILITIES:	
Current Liabilities:	
Interfund Payable	218,118
Accounts Payable	182,187
Compensated Absences Payable	20,596
Total Current Liabilities	420,901
Noncurrent Liabilities:	
Compensated Absences Payable	26,353
Total Liabilities	447,254
NET POSITION:	
Net Investment In Capital Assets	62,923
Unrestricted	72,303
Total Net Position	\$ 135,226

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 383,990
Daily Sales - Non-Reimbursable Programs	200,826
Special Functions	5,805
	590,621
Total Operating Revenues	590,621
OPERATING EXPENSES:	
Salaries	700,745
Employee Benefits	127,780
Supplies and Materials	77,321
Cost of Sales	597,123
Other Purchased Services	3,640
Office and Uniform Expense	8,522
Equipment	5,217
Repairs and Maintenance	20,176
Bank Charges	8,607
Insurance and Fees	13,023
Depreciation	17,457
	1,579,611
Total Operating Expenses	1,579,611
Operating Income / (Loss)	(988,990)
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	15,938
Federal Sources:	
National School Lunch Program	629,057
National School Breakfast Program	206,502
Healthy Hunger Free Kids Program	19,349
Special Milk Program	5,009
United States Department of Agriculture Commodities	77,989
Miscellaneous Revenue	7,785
	961,629
Total Nonoperating Revenues	961,629
Change in Net Position	(27,361)
Net Position -- July 1	162,587
Net Position -- June 30	\$ 135,226

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 646,864
Payments to Employees	(693,164)
Payments for Employee Benefits	(127,780)
Payments to Suppliers	(810,332)
	(984,412)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from State and Federal Reimbursements	986,910
	986,910
Net Cash Provided by (used for) Non-Capital Financing Activities	986,910
Net Increase (Decrease) in Cash and Cash Equivalents	2,498
Cash and Cash Equivalents -- July 1	282,107
Cash and Cash Equivalents -- June 30	\$ 284,605
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (988,990)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	17,457
Federal Commodities	77,989
(Increase) Decrease in Inventories	5,295
(Increase) Decrease in Other Current Receivables	56,243
Increase (Decrease) in Other Current Liabilities	(159,987)
Increase (Decrease) in Compensated Absences Payable	7,581
	4,578
Total Adjustments	4,578
Net Cash Provided by (used for) Operating Activities	\$ (984,412)

FIDUCIARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	<u>Private-Purpose Trust Funds</u>			<u>Agency Funds</u>		
	<u>New Jersey Unemployment Compensation Trust</u>	<u>Private Scholarship Fund</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 656,714	\$ 56,920	\$ 713,634	\$ 266,736	\$ 1,062,512	\$ 1,329,248
Total Assets	<u>656,714</u>	<u>56,920</u>	<u>\$ 713,634</u>	<u>\$ 266,736</u>	<u>\$ 1,062,512</u>	<u>\$ 1,329,248</u>
LIABILITIES:						
Net Payroll - Summer Salary Payable to Student Groups				\$ 266,736	\$ 1,062,512	\$ 1,062,512
Interfund Accounts Payable: Due to Special Revenue Fund						266,736
Total Liabilities				<u>\$ 266,736</u>	<u>\$ 1,062,512</u>	<u>\$ 1,329,248</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purpose	<u>\$ 656,714</u>	<u>\$ 56,920</u>	<u>\$ 713,634</u>			
Total Net Position	<u>\$ 656,714</u>	<u>\$ 56,920</u>	<u>\$ 713,634</u>			

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	New Jersey Unemployment Compensation Trust	Scholarship Fund	Total
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 94,956		\$ 94,956
Gifts and Contributions		\$ 6,050	6,050
	<u>94,956</u>	<u>6,050</u>	<u>101,006</u>
Investment Earnings:			
Interest on Investments	<u>338</u>		<u>338</u>
Net Investment Earnings	<u>338</u>		<u>338</u>
Total Additions	<u>95,294</u>	<u>6,050</u>	<u>101,344</u>
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	86,221		86,221
Scholarships Awarded		5,500	5,500
Total Deductions	<u>86,221</u>	<u>5,500</u>	<u>91,721</u>
Change in Net Position	9,073	550	9,623
Net Position -- July 1	<u>647,641</u>	<u>56,370</u>	<u>704,011</u>
Net Position -- June 30	<u>\$ 656,714</u>	<u>\$ 56,920</u>	<u>\$ 713,634</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Total All Schools	<u>\$ 305,856</u>	<u>\$ 475,594</u>	<u>\$ 514,714</u>	<u>\$ 266,736</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 907,403	\$ 22,543,415	\$ 22,388,306	\$ 1,062,512
Total Assets	<u>\$ 907,403</u>	<u>\$ 22,543,415</u>	<u>\$ 22,388,306</u>	<u>\$ 1,062,512</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 907,403	\$ 22,543,415	\$ 22,388,306	\$ 1,062,512
Total Liabilities	<u>\$ 907,403</u>	<u>\$ 22,543,415</u>	<u>\$ 22,388,306</u>	<u>\$ 1,062,512</u>

LONG-TERM DEBT

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2015

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2014 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
School Bus Radios	4/1/13	5 Years	\$ 114,726	\$ 5,787	3%	\$ 68,819	\$ -	\$ 22,370	\$ 46,449
						<u>\$ 68,819</u>	<u>\$ -</u>	<u>\$ 22,370</u>	<u>\$ 46,449</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,435,800	_____	\$ 1,435,800	\$ 1,435,800	_____
Total Revenues	<u>1,435,800</u>	_____	<u>1,435,800</u>	<u>1,435,800</u>	_____
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	385,800	_____	385,800	385,800	_____
Redemption of Principal	1,050,000	_____	1,050,000	1,050,000	_____
Total Regular Debt Service	<u>1,435,800</u>	_____	<u>1,435,800</u>	<u>1,435,800</u>	_____
Total Expenditures	<u>1,435,800</u>	_____	<u>1,435,800</u>	<u>1,435,800</u>	_____
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 22,211,278	\$ 22,194,124	\$ 23,411,566	\$ 25,257,886	\$ 24,405,478	\$ 23,711,568	\$ 23,637,524	\$ 23,380,040	\$ 23,781,593	\$ 23,936,201
Restricted	6,963,929	8,432,412	6,695,420	4,331,416	3,740,418	6,146,861	6,593,681	4,790,791	4,909,870	4,272,958
Unrestricted	(27,393,758)	(2,904,415)	(1,895,817)	(2,834,474)	(1,415,224)	(3,295,015)	(2,477,153)	(2,504,515)	(1,941,676)	(2,235,768)
Total Governmental Activities Net Position	\$ 1,781,449	\$ 27,722,121	\$ 28,211,169	\$ 26,754,828	\$ 26,730,672	\$ 26,563,414	\$ 27,754,052	\$ 25,666,316	\$ 26,749,787	\$ 25,973,391
Business-type Activities										
Net Investment in Capital Assets	\$ 62,923	\$ 80,380	\$ 85,016	\$ 102,054	\$ 125,610	\$ 151,934	\$ 172,171	\$ 184,662	\$ 192,030	\$ 175,855
Restricted										
Unrestricted	72,303	82,207	129,837	205,892	253,496	174,738	107,565	100,362	87,071	34,248
Total Business-type Activities Net Position	\$ 135,226	\$ 162,587	\$ 214,853	\$ 307,946	\$ 379,106	\$ 326,672	\$ 279,736	\$ 285,024	\$ 279,101	\$ 210,103
District-wide										
Net Investment in Capital Assets	\$ 22,274,201	\$ 22,274,504	\$ 23,496,582	\$ 25,359,940	\$ 24,531,088	\$ 23,863,502	\$ 23,809,695	\$ 23,564,702	\$ 23,973,623	\$ 24,112,056
Restricted	6,963,929	8,432,412	6,695,420	4,331,416	3,740,418	6,146,861	6,593,681	4,790,791	4,909,870	4,272,958
Unrestricted	(27,321,455)	(2,822,208)	(1,765,980)	(2,628,582)	(1,161,728)	(3,120,277)	(2,369,588)	(2,404,153)	(1,854,605)	(2,201,520)
Total District-wide Net Position	\$ 1,916,675	\$ 27,884,708	\$ 28,426,022	\$ 27,062,774	\$ 27,109,778	\$ 26,890,086	\$ 28,033,788	\$ 25,951,340	\$ 27,028,888	\$ 26,183,494

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 24,140,864	\$ 32,376,995	\$ 31,675,773	\$ 28,060,185	\$ 27,640,288	\$ 23,734,807	\$ 23,571,594	\$ 22,252,915	\$ 20,657,420	\$ 22,688,522
Special Education	3,474,029	3,935,982	3,848,969	7,058,348	6,789,396	9,436,835	9,046,855	10,603,819	9,409,811	6,102,071
Other Special Education	1,637,303	2,080,031	1,500,204	2,016,529	1,712,393	2,313,321	1,469,102	3,017,247	2,762,730	1,361,572
Support Services:										
Tuition	4,757,738	4,239,302	3,556,226	2,747,369	2,082,114	2,791,314	2,755,249	2,783,508	2,190,458	1,738,457
Student & Instruction Related Services	6,801,746	8,918,657	8,799,748	8,747,993	9,572,672	7,551,312	7,208,303	6,406,410	5,530,869	5,270,490
General Administrative Services	1,042,134	906,535	787,983	725,628	851,976	1,043,778	959,160	1,175,881	1,020,087	1,206,493
School Administrative Services	2,706,266	5,381,720	5,457,106	5,442,270	4,905,768	2,848,685	2,603,159	2,618,282	2,420,886	3,227,977
Central Services	662,054					934,993	878,881	869,697	879,328	878,041
Administrative Information Technology	934,583					1,628,658	1,083,446	980,199	900,927	822,826
Plant Operations and Maintenance	6,074,793	7,957,213	7,528,412	7,101,480	7,637,548	7,090,192	6,402,898	6,596,013	6,350,209	5,748,000
Pupil Transportation	4,215,472	3,782,617	3,485,828	3,364,561	3,114,680	4,069,573	3,847,460	4,811,445	5,004,407	4,438,501
Unallocated Benefits	16,059,331									
Transfer to Charter School	105,349									4,563
Special Schools									14,205	13,700
Interest on Long-Term Debt	516,141	412,220	746,255	396,350	625,053	664,383	701,415	744,807	940,985	887,495
Total Governmental Activities Expenses	<u>73,127,803</u>	<u>69,991,272</u>	<u>67,386,504</u>	<u>65,660,713</u>	<u>64,931,888</u>	<u>64,107,851</u>	<u>60,527,522</u>	<u>62,860,223</u>	<u>58,082,322</u>	<u>54,388,708</u>
Business-type Activities:										
Food Service	1,579,611	1,603,260	1,613,236	1,609,515	1,473,976	1,775,291	1,740,061	1,775,131	1,716,204	1,681,779
Total Business-type Activities Expense	<u>1,579,611</u>	<u>1,603,260</u>	<u>1,613,236</u>	<u>1,609,515</u>	<u>1,473,976</u>	<u>1,775,291</u>	<u>1,740,061</u>	<u>1,775,131</u>	<u>1,716,204</u>	<u>1,681,779</u>
Total District Expenses	<u>\$ 74,707,414</u>	<u>\$ 71,594,532</u>	<u>\$ 68,999,740</u>	<u>\$ 67,270,228</u>	<u>\$ 66,405,864</u>	<u>\$ 65,883,142</u>	<u>\$ 62,267,583</u>	<u>\$ 64,635,354</u>	<u>\$ 59,798,526</u>	<u>\$ 56,070,487</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 322,655	\$ 426,709	\$ 487,238	\$ 186,390	\$ 78,651	\$ 184,978	\$ 179,860	\$ 236,957	\$ 403,295	\$ 313,240
Operating Grants and Contributions	2,735,627	2,760,137	3,349,999	3,018,861	3,746,908	2,999,205	3,128,159	3,946,838	3,955,996	3,957,232
Total Governmental Activities Program Revenues	<u>3,058,282</u>	<u>3,186,846</u>	<u>3,837,237</u>	<u>3,205,251</u>	<u>3,825,559</u>	<u>3,184,183</u>	<u>3,308,019</u>	<u>4,183,795</u>	<u>4,359,291</u>	<u>4,270,472</u>
Business-type activities:										
Charges for services										
Food Service	590,621	600,241	599,882	644,523	724,486	736,595	811,709	818,395	711,382	675,670
Operating Grants and Contributions	953,844	946,905	920,261	893,832	801,814	813,226	687,197	653,312	624,179	673,792
Total Business-type Activities Program Revenues	<u>1,544,465</u>	<u>1,547,146</u>	<u>1,520,143</u>	<u>1,538,355</u>	<u>1,526,300</u>	<u>1,549,821</u>	<u>1,498,906</u>	<u>1,471,707</u>	<u>1,335,561</u>	<u>1,349,462</u>
Total District Program Revenues	<u>\$ 4,602,747</u>	<u>\$ 4,733,992</u>	<u>\$ 5,357,380</u>	<u>\$ 4,743,606</u>	<u>\$ 5,351,859</u>	<u>\$ 4,734,004</u>	<u>\$ 4,806,925</u>	<u>\$ 5,655,502</u>	<u>\$ 5,694,852</u>	<u>\$ 5,619,934</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (70,069,521)	\$ (66,804,426)	\$ (63,549,267)	\$ (62,455,462)	\$ (61,106,329)	\$ (60,923,668)	\$ (57,219,503)	\$ (58,676,428)	\$ (53,723,031)	\$ (50,118,236)
Business-type Activities	<u>(35,146)</u>	<u>(56,114)</u>	<u>(93,093)</u>	<u>(71,160)</u>	<u>52,324</u>	<u>(225,470)</u>	<u>(241,155)</u>	<u>(303,424)</u>	<u>(380,643)</u>	<u>(332,317)</u>
Total District-wide Net Expense	<u>\$ (70,104,667)</u>	<u>\$ (66,860,540)</u>	<u>\$ (63,642,360)</u>	<u>\$ (62,526,622)</u>	<u>\$ (61,054,005)</u>	<u>\$ (61,149,138)</u>	<u>\$ (57,460,658)</u>	<u>\$ (58,979,852)</u>	<u>\$ (54,103,674)</u>	<u>\$ (50,450,553)</u>

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 37,188,880	\$ 35,885,892	\$ 34,692,139	\$ 33,520,000	\$ 33,285,000	\$ 33,263,531	\$ 32,640,400	\$ 31,548,462	\$ 30,348,902	\$ 26,529,202
Taxes Levied for Debt Service	1,435,800	1,441,030	1,439,980	991,721	1,405,650	1,386,258	698,635	1,625,200	1,578,764	1,670,391
Unrestricted Grants and Contributions	29,487,727	28,755,543	28,765,803	27,613,694	25,201,387	25,072,474	26,115,401	24,471,551	22,560,839	21,122,956
Restricted Grants and Contributions				(27,682)	1,214,989					845,049
Restricted for Debt Service										54,519
Investment Earnings	696	600	772	483		27,986	64,388	219,093	359,965	218,131
Miscellaneous Income	315,337	232,313	106,914	381,402	166,561	254,586	23,853	36,076	96,453	128,757
Tuition								(4,142)		
Transfers						(271,805)	271,805	(303,250)	(445,529)	(308,195)
Total Governmental Activities	68,428,440	66,315,378	65,005,608	62,479,618	61,273,587	59,733,030	59,814,482	57,592,990	54,499,394	50,260,810
Business-type Activities:										
Investment Earnings	7,785	3,848	-	-	110	601	429	6,097	4,112	835
Transfers						271,805	235,438	303,250	445,529	308,195
Total Business-type Activities	7,785	3,848	-	-	110	272,406	235,867	309,347	449,641	309,030
Total District-wide	\$ 68,436,225	\$ 66,319,226	\$ 65,005,608	\$ 62,479,618	\$ 61,273,697	\$ 60,005,436	\$ 60,050,349	\$ 57,902,337	\$ 54,949,035	\$ 50,569,840
Change in Net Position										
Governmental Activities	\$ (1,641,081)	\$ (489,048)	\$ 1,456,341	\$ 24,156	\$ 167,258	\$ (1,190,638)	\$ 2,594,979	\$ (1,083,438)	\$ 776,363	\$ 142,574
Business-type Activities	(27,361)	(52,266)	(93,093)	(71,160)	52,434	46,936	(5,288)	5,923	68,998	(23,287)
Total District	\$ (1,668,442)	\$ (541,314)	\$ 1,363,248	\$ (47,004)	\$ 219,692	\$ (1,143,702)	\$ 2,589,691	\$ (1,077,515)	\$ 845,361	\$ 119,287

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: District Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund										
Restricted	\$ 6,926,291	\$ 8,432,412	\$ 6,695,420	\$ 4,331,416	\$ 864,957	\$ 4,559,161	\$ 6,480,960	\$ 3,326,408	\$ 3,434,843	\$ 2,775,833
Assigned	247,050	202,274	1,192,765	220,586	2,882,581					
Unassigned	<u>(764,667)</u>	<u>(884,032)</u>	<u>(984,952)</u>	<u>(684,978)</u>	<u>(505,031)</u>	<u>(1,114,761)</u>	<u>(378,306)</u>	<u>343,369</u>	<u>918,049</u>	<u>788,195</u>
Total General Fund	<u>\$ 6,408,674</u>	<u>\$ 7,750,654</u>	<u>\$ 6,903,233</u>	<u>\$ 3,867,024</u>	<u>\$ 3,242,507</u>	<u>\$ 3,444,400</u>	<u>\$ 6,102,654</u>	<u>\$ 3,669,777</u>	<u>\$ 4,352,892</u>	<u>\$ 3,564,028</u>
All Other Governmental Funds										
Restricted					\$ 925,092	\$ 1,453,159	\$ 87,954	\$ 51,224	\$ 47,068	\$ 46,918
Unsigned, Reported in:										
Special Revenue Fund	\$ (83,332)	\$ (88,981)	\$ (101,839)	\$ (73,608)	(81,711)	(86,955)	(71,819)	(148,469)	(121,636)	(125,196)
Capital Projects Fund						134,541	24,767	774,767	813,047	872,810
Debt Service Fund					<u>450,369</u>					
Total All Other Governmental Funds	<u>\$ (83,332)</u>	<u>\$ (88,981)</u>	<u>\$ (101,839)</u>	<u>\$ (73,608)</u>	<u>\$ 1,293,750</u>	<u>\$ 1,500,745</u>	<u>\$ 40,902</u>	<u>\$ 677,522</u>	<u>\$ 738,479</u>	<u>\$ 794,532</u>

(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 Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax Levy	\$ 38,624,680	\$ 37,326,922	\$ 36,132,119	\$ 34,511,721	\$ 34,690,650	\$ 34,649,789	\$ 33,339,035	\$ 33,173,662	\$ 31,927,666	\$ 28,199,593
Tuition Charges	322,655	426,709	487,238	186,390	78,651	184,978	179,860	236,957	403,295	313,240
Interest Earnings	696	600	772	483		27,986	64,388	219,093	359,965	218,132
Miscellaneous	315,337	232,313	106,914	381,402	166,561	254,586	23,854	36,076	96,453	128,757
State Sources	30,247,095	29,708,640	29,705,674	27,605,538	27,287,001	22,126,579	27,393,031	26,820,083	24,941,712	24,154,321
Federal Sources	1,960,246	1,802,100	2,409,128	2,998,343	2,876,283	5,945,099	1,850,529	1,598,306	1,575,123	1,770,916
Local Sources	16,013	4,940	1,000	992						
Total Revenue	71,486,722	69,502,224	68,842,845	65,684,869	65,099,146	63,189,017	62,850,697	62,084,177	59,304,214	54,784,959
Expenditures										
Instruction										
Regular Instruction	22,920,487	22,548,690	22,037,174	20,354,916	19,892,776	18,021,993	17,881,736	16,083,596	15,192,455	17,404,169
Special Education Instruction	3,303,324	2,808,399	2,791,075	5,219,200	4,859,962	7,176,891	6,863,069	7,664,054	6,917,039	4,680,846
Other Special Instruction	1,545,530	1,457,663	1,020,979	1,452,729	1,217,785	1,759,324	1,114,481	2,180,756	2,031,844	1,044,450
Support Services:										
Tuition	4,757,738	4,239,302	3,556,226	2,747,369	2,082,114	2,791,314	2,755,249	2,783,508	2,190,458	1,738,457
Student & Instruction Related Services	6,449,005	6,279,860	6,093,396	6,734,983	7,538,492	5,742,915	5,468,318	4,630,320	4,067,666	4,042,947
General Administrative Services	1,042,134	906,535	787,983	725,628	739,435	793,813	727,632	849,884	750,221	925,491
School Administrative Services	2,554,577	2,552,143	2,447,278	2,242,478	2,093,983	2,116,078	2,008,787	1,954,586	1,978,595	1,949,414
Central Services	624,945	539,314	551,880	610,715	608,097	711,080	666,731	628,585	646,700	673,538
Administrative Information Technology	882,199	628,296	714,732	1,067,476	786,706	1,238,625	821,917	708,452	662,585	631,183
Business Administrative Services										3,500
Plant Operations and Maintenance	5,755,410	5,531,634	5,123,537	5,115,981	5,431,517	5,578,748	5,047,509	4,939,677	4,853,518	4,529,304
Pupil Transportation	4,215,472	3,782,617	3,485,828	3,364,561	3,114,680	3,029,387	2,826,444	3,316,350	3,572,337	3,358,352
Unallocated Employee Benefits	15,775,599	15,561,216	15,627,659	12,855,138	13,192,884	12,043,588	11,226,969	13,953,538	12,072,766	9,692,991
Transfer to Charter School	105,349									
Special Schools									14,205	13,700
Capital Outlay	1,307,643	479,992	157,140	2,494,446	2,507,223	1,665,842	1,998,255	1,148,995	1,501,277	1,675,591
Capital Projects										
Debt Service:										
Principal	1,050,000	1,010,000	965,000	925,000	885,000	850,000	780,000	998,000	965,000	935,000
Interest and Other Charges	533,641	431,030	474,980	517,090	557,380	596,025	631,905	680,556	709,209	875,997
Total Expenditures	72,823,053	68,756,691	65,834,867	66,427,710	65,508,034	64,115,623	60,819,002	62,520,857	58,125,875	54,174,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,336,331)	745,533	3,007,978	(742,841)	(408,888)	(926,606)	2,031,695	(436,680)	1,178,339	610,029
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)		114,746								
Proceeds of Refunding Debt										10,032,866
Payment to Refunded Debt Escrow Agent								(4,142)		(9,978,347)
Transfers In	25,205					458,912	750,000			
Transfers Out	(25,205)					(730,717)	(985,438)	(303,250)	(445,529)	(308,195)
Total Other Financing Sources (Uses)	-	114,746	-	-	-	(271,805)	(235,438)	(307,392)	(445,529)	(253,676)
Net Change in Fund Balances	\$ (1,336,331)	\$ 860,279	\$ 3,007,978	\$ (742,841)	\$ (408,888)	\$ (1,198,411)	\$ 1,796,257	\$ (744,072)	\$ 732,810	\$ 356,353
Debt Service as a Percentage of Noncapital Expenditures	2.2%	2.1%	2.2%	2.3%	2.3%	2.3%	2.4%	2.7%	3.0%	3.4%
Source: District Records										

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Extended Year Tuition										
Interest on Investments						\$ 23,736	\$ 64,388	\$ 219,093	\$ 359,965	\$ 218,132
Interest on Investments- Capital Reserve						4,250				
Grant					\$ 1,000				19,900	
Prior Year Purchase Order Adjustments			\$ 2,212	\$ 182,601	20,015	42,409	15,951	32,111	72,458	
Prior Year Tuition Adjustments				6,545	875					19,934
Refunds	\$ 217,249	\$ 67,283	80,642	167,460	122,883					
Lease Purchase Agreement						210,000				
Miscellaneous	64,297	98,396	721							
Rentals	32,673	33,600	21,279							
Sale of Fixed Assets					6,394					102,425
Sale of Obsolete Equipment					337		3,608		50	1,500
Scrap/Salvage			545							
Seminar/Class Fees			1,515	19,329	61,413					
Township Share of Community Activities				5,467	2,955					
Tuition					84,414	184,978	179,860	236,957	403,295	313,240
Transportation	1,118	28,205								
Advertising Fees - School Buses		4,829								
	<u>\$ 315,337</u>	<u>\$ 232,313</u>	<u>\$ 106,914</u>	<u>\$ 381,402</u>	<u>\$ 300,286</u>	<u>\$ 465,373</u>	<u>\$ 263,807</u>	<u>\$ 488,161</u>	<u>\$ 855,668</u>	<u>\$ 655,231</u>

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
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Year Ended Dec. 31.	Vacant Land	Residential	Farm Reg.	Qfarm	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)
2015	\$ 59,768,000	\$ 1,820,706,600	\$ 7,993,900	\$ 403,500	\$ 791,494,800	\$ 18,332,600	\$ 102,577,000	\$ 2,801,276,400	\$ 372,794,500	\$ 6,098,196	\$ 2,807,374,596	\$ 2,781,287,814	1.422
2014	60,953,400	1,811,673,600	8,203,700	469,300	808,000,600	15,635,200	102,688,700	2,807,624,500	372,528,700	5,957,884	2,813,582,384	2,769,095,863	1.373
2013	63,135,800	1,800,420,300	8,300,600	473,700	873,643,700	16,838,800	102,688,700	2,865,501,600	370,818,500	6,596,438	2,872,098,038	3,004,307,804	1.300
2012	69,657,900	1,802,363,800	9,878,800	513,400	88,325,340	18,788,800	107,528,200	2,097,056,240	369,249,200	800,490,605	2,897,546,845	3,188,731,451	1.247
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	192,804,700	4,439,720	1,736,041,455	3,188,731,451	1.927
2010	37,429,200	1,128,365,285	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	3,197,087,099	1.994
2009	39,710,700	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	3,177,316,726	1.199
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

(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
	<u>Basic Rate (1)</u>	<u>General Obligation Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>School District</u>	<u>Township of Deptford</u>	<u>County of Gloucester</u>	
2015	1.3701	0.052	1.422		0.805	0.593	2.820
2014	1.3229	0.050	1.373		0.805	0.566	2.744
2013	1.2495	0.051	1.300		0.793	0.586	2.679
2012	1.1973	0.050	1.247		1.057	0.919	3.223
2011	1.9843	0.010	1.927		1.192	0.919	4.038
2010	1.9840	0.010	1.994		1.357	0.947	4.298
2009	1.9800	0.010	1.990		1.210	1.002	4.202
2008	1.9430	0.010	1.953		1.119	0.942	4.014
2007	1.8750	0.097	1.972		1.041	0.929	3.942
2006	1.8370	0.096	1.933		0.969	0.869	3.771

(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 Nine Years Ago
Unaudited

Taxpayer	2015			2006		
	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	
Sears & Roebuck & Co.			0.00%	13,900,000	5	1.02%
RCA/GE			0.00%	13,000,000	6	0.96%
Deptford Crossing			0.00%	12,750,000	7	0.94%
May Department Stores	-			11,900,000	9	0.87%
Baseball LP	-			11,200,000	10	0.82%
JC Penney				12,509,000	8	
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>	
2015	\$ 37,188,880	\$ 37,188,880	100.00%	-
2014	37,326,922	37,326,922	100.00%	-
2013	36,132,119	36,132,119	100.00%	-
2012	33,520,000	33,520,000	100.00%	-
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%	-

(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 <u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>		
2015	\$ 8,595,000	N/A	\$ 46,449	N/A	N/A	\$ 8,641,449	N/A	\$ 44,868
2014	9,645,000	N/A	68,819	N/A	N/A	9,213,970	N/A	44,868
2013	10,655,000	N/A	-	N/A	N/A	10,655,000	N/A	42,228
2012	11,620,000	N/A	-	N/A	N/A	11,620,000	N/A	N/A
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

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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2015	\$ 9,213,970	-	\$ 9,213,970	0.33%	\$ 44,868
2014	9,645,000	-	9,645,000	0.34%	44,868
2013	10,655,000	-	10,655,000	0.37%	42,228
2012	11,620,000	-	11,620,000	0.77%	N/A
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

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 December 31, 2014
 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	\$ 17,239,400	100.00%	\$ 17,239,400
Deptford Township MUA	10,256,145	100.00%	10,256,145
Other debt			
County of Gloucester	247,990,608	10.96%	<u>27,179,771</u>
Subtotal, overlapping debt			54,675,316
Deptford Township School District Direct Debt			<u>8,965,000</u>
Total direct and overlapping debt			<u><u>\$ 63,640,316</u></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.

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>Fiscal Year</u> <u>Ended</u>	<u>Population (1)</u>	<u>Personal</u> <u>Income (2)</u>	<u>Per Capita</u> <u>Personal</u> <u>Income (3)</u>	<u>Unemployment</u> <u>Rate (4)</u>
2015	30,483	1367711244	\$ 44,868	6.10%
2014	30,608	N/A	44,868	6.50%
2013	30,499	N/A	42,228	10.60%
2012	30,722	N/A	N/A	9.50%
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%

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 Nine Years Ago
Unaudited

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
Inspira Health	1,825	1	15.79%	N/A	N/A	N/A
Kennedy Hospital	1,675	2	14.49%	N/A	N/A	N/A
Washington Township Public Schools	1,631	3	14.11%	N/A	N/A	N/A
Rowan University	1,483	4	12.83%	N/A	N/A	N/A
County of Gloucester	1,398	5	12.09%	N/A	N/A	N/A
MISSA Bay LLC	950	6	8.22%	N/A	N/A	N/A
Monroe Township School District	807	7	6.98%	N/A	N/A	N/A
U.S. Foodservices	725	8	6.27%	N/A	N/A	N/A
Exxon Mobile Research & Development	540	9	4.67%	N/A	N/A	N/A
LaBrea Baker	525	10	4.54%	N/A	N/A	N/A
	11,559		100.00%	-		0.00%

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction										
Regular	297	375	354	356	331	308	302	299	293	290
Special education	88	93	93	93	93	106	112	89	95	98
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	90	92	73	51	62	65	64	62	62	61
General administrative services	3	4	4	4	4	4	3	4	4	4
School administrative services	31	30	32	28	28	29	29	33	45	47
Business administrative services	11	18	18	18	18	18	18	18	18	17
Plant operations and maintenance	98	59	60	60	62	62	59	62	62	62
Pupil transportation	61	63	65	68	70	70	70	66	65	67
Special Schools										-
Food Service	25	33	33	37	37	37	37	37	36	35
Total	704	767	732	715	705	699	694	670	680	681

Source: District Personnel Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2015	4,406	\$ 64,392,398	\$ 14,614.71	7.07%	447	1:10	1:12	1:09	4,309	4,081	-0.42%	94.71%
2014	4,342	59,267,757	13,649.87	1.60%	448	1:10	1:12	1:09	4,345	4,117	-0.58%	94.75%
2013	4,388	61,016,657	13,905.35	5.75%	436	1:10	1:12	1:09	4,331	4,098	-0.02%	94.60%
2012	4,402	62,491,174	14,196.09	13.71%	386	1:12	1:11	1:11	4,356	4,141	46.00%	95.06%
2011	4,390	58,978,036	13,434.63	7.61%	386	1:12	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	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	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	4,339	4,148	2.86%	95.60%
2007	4,336	50,223,232	11,582.85	8.66%	380	1:12	1:11	1:12	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	4,262	4,033	4.43%	94.60%

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>District Building</u>										
<u>Elementary</u>										
Central Elementary School (2004)										
Square Feet	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	592	592	592	592	569	587	601	625	569	520
Good Intent Elementary School (1960)										
Square Feet	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565
Capacity (students)	515	515	515	515	515	515	515	515	515	515
Enrollment	392	392	392	412	412	414	428	404	396	397
Lake Tract Elementary School (1964)										
Square Feet	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	512	497	497	497	459	412	426	423	410	398
New Sharon Elementary School (1924)										
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	16	22	22	22	21	21	25	27	29	34
Oak Valley Elementary School (1959)										
Square Feet	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238
Capacity (students)	276	276	276	276	276	276	276	276	276	276
Enrollment	416	375	375	380	380	413	400	364	364	376
Pine Acres Elementary School (1964)										
Square Feet	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540
Capacity (students)	290	290	290	290	290	290	290	290	290	290
Enrollment	279	276	276	276	243	255	231	273	256	197
Shady Lane Elementary School (1957)										
Square Feet	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	416	546	546	546	535	517	491	499	507	500
<u>Middle School</u>										
Monongahela Middle School (1984)										
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	614	648	648	648	676	663	652	611	634	700
<u>High School</u>										
Deptford High School (1974)										
Square Feet	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992
Capacity (students)	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Enrollment	1,037	985	985	985	1,023	1,070	1,085	1,145	1,171	1,172
<u>Other</u>										
District Wide										
Square Feet	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988

Number of Schools at June 30, 2015

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

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

<u>* School Facilities</u>	<u>Project # (s)</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Deptford High School	N/A	\$ 91,147	\$ 76,874	\$ 157,725	\$ 205,316	\$ 172,974	\$ 170,695	\$ 156,305	\$ 169,446	\$ 170,695	\$ 177,551
Monongahela Middle School	N/A	36,951	34,167	31	6,679	6,542	55,929	64,684	67,963	74,305	73,273
Central Elementary School	N/A	29,561	32,032	-	2,486	6,219	28,006	26,269	30,429	30,800	30,040
Good Intent Elementary School	N/A	9,854	12,813	-	222	8,320	18,836	16,388	26,232	27,400	25,732
Lake Tract Elementary School	N/A	9,854	10,677	1,000	1,715	3,661	14,034	18,569	13,706	21,075	19,288
New Sharon Elementary School	N/A	4,927	2,135	-	222	1,867	6,625	5,525	4,186	6,343	4,741
Pine Acres Elementary School	N/A	14,781	12,813	-	3,639	8,244	15,040	18,388	21,111	24,794	24,604
Oak Valley Elementary School	N/A	14,781	12,813	-	1,559	10,259	19,207	18,468	17,297	23,672	22,051
Shady Lane Elementary School	N/A	24,634	19,219	-	958	17,796	33,946	30,916	32,770	36,400	33,060
District Wide	N/A	9,854									
Total School Facilities		<u>\$ 246,344</u>	<u>\$ 213,543</u>	<u>\$ 158,756</u>	<u>\$ 222,796</u>	<u>\$ 235,881</u>	<u>\$ 362,318</u>	<u>\$ 355,512</u>	<u>\$ 383,140</u>	<u>\$ 415,484</u>	<u>\$ 410,340</u>

* 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, 2015

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - GCSSDJIF		
Property - Blanket Building and Contents	\$ 150,000,000	\$ 500
Comprehensive Automobile Liability	20,000,000	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	15,000,000	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 FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the 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, 2015. 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*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 Administration and 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 15-08-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 15-08-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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

27200

Opinion on Each Major Federal and State Program

In our opinion, the Township of Deptford School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Township of Deptford School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 15-08-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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 21, 2015

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2015

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	
				From	To	Balance June 30, 2014	Carryover / (Walkover) Amount
General Fund:							
U.S. Department of Education							
Medical Assistance Program (SEMI)	93.778	N/A	\$ 79,692	7-1-2014	6-30-2015		
ARRA - Medical Assistance Program (SEMI)	93.778	N/A	37,638	10-1-2008	12-31-2010		
Total U.S. Department of Education						-	
Total General Fund							
Special Revenue Fund:							
U.S. Department of Defense							
NJROTC	N/A	N/A		7-1-2010	6-30-2011	\$	569
NJROTC	N/A	N/A	73,277	7-1-2011	6-30-2012		13,564
NJROTC	N/A	N/A	67,544	7-1-2012	6-30-2013		650
NJROTC	N/A	N/A	67,544	7-1-2013	6-30-2014		767
NJROTC	N/A	N/A		7-1-2014	6-30-2015		
Total U.S. Department of Defense						-	15,550
U.S. Department of Education							
Passed-through State Department of Education							
N.C.L.B.:							
Title I, Part A	84.010	NCLB267013	449,979	7-1-2013	6-30-2014	\$	(14,779)
Title I, Part A	84.010	NCLB267013	521,834	7-1-2014	6-30-2015		
Total Title I, Part A						(14,779)	-
Title II, Part A	84.367A	NCLB267013	113,237	7-1-2013	6-30-2014	(5,801)	
Title II, Part A	84.367A	NCLB267013	111,182	7-1-2014	6-30-2015		
Total Title II, Part A						(5,801)	-
Title III	84.365	NCLB267013	11,215	7-1-2013	6-30-2014	(2,421)	
Title III	84.365	NCLB267013	14,241	7-1-2014	6-30-2015		
Title III Immigrant	84.365	NCLB267013	9,064	7-1-2014	6-30-2015		
Total Title III						(2,421)	-
Title IV Carryover	84.184	NCLB086011	12,356	9-1-2009	8-31-2010	(2,955)	8,499
I.D.E.A. Part B:							
Special Education Cluster:							
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA110013	1,081,711	7-1-2013	6-30-2014	(406,438)	
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA110013	1,153,356	7-1-2014	6-30-2015		
I.D.E.I.A. , Part B Preschool	84.173	IDEA110013	34,302	7-1-2013	6-30-2014	(33,691)	
I.D.E.I.A. , Part B Preschool	84.173	IDEA110013	34,554	7-1-2014	6-30-2015		
ARRA - I.D.E.I.A. , Part B, Basic Regular	84.391	IDEA110010	1,083,478	7-1-2009	9-30-2011	(1,276)	
ARRA - I.D.E.I.A. , Part B Preschool	84.173	IDEA110010	39,065	7-1-2009	9-30-2011		4,307
Total I.D.E.A. Part B Special Education Cluster						(441,405)	4,307
Race To The Top	84.413A	N/A	44,200	7-1-2012	11-30-2015	(500)	
Include	84.318X	N/A	434,702	9-1-2010	8-31-2011	(59,470)	
Total U.S. Department of Education						(527,331)	12,806
U.S. Department of Health and Human Services							
Centers for Disease Control and Prevention							
Passed-through State Department of Education							
CDC Partnership	93.079	IU87PS004149	5,000	8-1-2014	7-31-2015		
Total Special Revenue Fund						(527,331)	28,356
Enterprise Fund:							
U.S. Department of Agriculture							
Cash Assistance:							
Passed-through State Department of Education:							
Child Nutrition Cluster:							
National School Lunch Program	10.555	N/A	620,000	7-1-2013	6-30-2014	(125,262)	
National School Lunch Program	10.555	N/A	629,057	7-1-2014	6-30-2015		
National School Lunch Program - HHKFA	10.555	N/A	19,403	7-1-2013	6-30-2014	(3,886)	
National School Lunch Program - HHKFA	10.555	N/A	19,349	7-1-2014	6-30-2015		
School Breakfast Program	10.553	N/A	185,051	7-1-2013	6-30-2014	(42,134)	
School Breakfast Program	10.553	N/A	206,502	7-1-2014	6-30-2015		
Special Milk Program	10.556	N/A	4,920	7-1-2013	6-30-2014	(983)	
Special Milk Program	10.556	N/A	5,009	7-1-2013	6-30-2014		
Non-Cash Assistance:							
Food Distribution Program	10.555	N/A	77,989	7-1-2014	6-30-2015		
Total Child Nutrition Cluster:						(172,265)	
Total Enterprise Fund						(172,265)	-
Total Federal Financial Assistance						\$ (699,596)	\$ 28,356

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.

							Balance June 30, 2015	
Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2015		
\$ 79,692	\$ 79,692							
37,638	37,638							
117,330	117,330			-				
117,330	117,330	-	-	-	-	-		
		\$ (569)						
		(13,564)						
		(650)						
		(767)						
71,473	91,147			\$ (20,877)	\$ 1,203			
71,473	91,147	(15,550)	-	(20,877)	1,203	-		
14,779								
328,593	457,437			(128,844)				
343,372	457,437	-	-	(128,844)	-	-		
5,801								
97,833	104,114			(6,281)				
103,634	104,114	-	-	(6,281)	-	-		
2,421								
3,202	7,779			(4,577)				
	1,292			(1,292)				
5,623	9,071	-	-	(5,869)	-	-		
				(2,955)	8,499			
406,438				-				
542,025	1,139,322			(597,297)				
33,691				-				
22,179	34,533			(12,354)				
				(1,276)				
			\$ (4,307)					
1,004,333	1,173,855	-	(4,307)	(610,927)	-	-		
	4,835			(5,335)				
				(59,470)				
1,456,962	1,749,312	-	(4,307)	(819,681)	8,499	-		
	861			(861)				
1,528,435	1,841,320	(15,550)	(4,307)	(841,419)	9,702	-		
125,262								
583,495	629,057			(45,562)				
3,886								
17,978	19,349			(1,371)				
42,134								
189,516	206,502			(16,986)				
983								
4,705	5,009			(304)				
77,989	77,989							
1,045,948	937,906			(64,223)				
1,045,948	937,906	-	-	(64,223)	-	-		
\$ 2,691,713	\$ 2,896,556	\$ (15,550)	\$ (4,307)	\$ (905,642)	\$ 9,702	\$ -		

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Awards, Schedule B
 For the Fiscal Year Ended June 30, 2015

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Carryover/ (Walkover) Amount
			From	To	Unexpended Revenue / Accounts Receivable	Due to Grantor	
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	14-495-034-5120-078	\$ 20,154,580	7-1-2013	6-30-2014	\$ (1,817,038)		
Equalization Aid	15-495-034-5120-078	20,154,580	7-1-2014	6-30-2015			
School Choice	15-495-034-5120-068	54,078	7-1-2014	6-30-2015			
Under Adequacy Aid	14-495-034-5120-094	12,894	7-1-2013	6-30-2014	(1,289)		
Under Adequacy Aid	15-495-034-5120-094	12,894	7-1-2014	6-30-2015			
Security Aid	14-495-034-5120-085	461,530	7-1-2013	6-30-2014	(46,153)		
Security Aid	15-495-034-5120-085	461,530	7-1-2014	6-30-2015			
Special Education Aid	14-495-034-5120-089	2,287,352	7-1-2013	6-30-2014	(228,735)		
Special Education Aid	15-495-034-5120-089	2,287,352	7-1-2014	6-30-2015			
PARCC Readiness Aid	15-495-034-5120-098	41,780	7-1-2014	6-30-2015			
Per Pupil Growth Aide	15-495-034-5120-097	41,780	7-1-2014	6-30-2015			
Total State Aid - Public Cluster:					(2,093,215)	-	-
State Aid - Transportation:							
Transportation Aid	14-495-034-5120-014	316,708	7-1-2013	6-30-2014	(31,671)		
Transportation Aid	15-495-034-5120-014	316,708	7-1-2014	6-30-2015			
Nonpublic Transportation Aid	14-495-034-5120-015	37,493	7-1-2013	6-30-2014	(37,493)		
Nonpublic Transportation Aid	15-495-034-5120-015	37,018	7-1-2014	6-30-2015			
Total State Aid - Transportation:					(69,164)	-	-
Extraordinary Special Education Aid Costs							
Extraordinary Special Education Aid Costs	14-100-034-5120-473	216,114	7-1-2013	6-30-2014	(216,114)		
Extraordinary Special Education Aid Costs	15-100-034-5120-473	236,902	7-1-2014	6-30-2015			
Total Extraordinary Aid					(216,114)	-	-
Reimbursed T.P.A.F. Social Security							
Reimbursed T.P.A.F. Social Security	14-495-034-5095-002	2,066,982	7-1-2013	6-30-2014	(99,323)		
Reimbursed T.P.A.F. Social Security	15-495-034-5095-002	2,039,950	7-1-2014	6-30-2015			
Total Reimbursed T.P.A.F. Social Security					(99,323)	-	-
Total General Fund					(2,477,816)	-	-
Special Revenue Fund:							
New Jersey Department of Education							
Nonpublic Aid:							
Nursing Services	15-100-034-5120-070	15,271	7-1-2014	6-30-2015			
Textbook Aid (Ch. 194)	15-100-034-5120-064	9,592	7-1-2014	6-30-2015			
Technology	14-100-034-5120-373	3,040	7-1-2013	6-30-2014		\$ 123	
Technology	15-100-034-5120-373	5,152	7-1-2014	6-30-2015			
Auxiliary Services (Ch. 192)							
Compensatory Education	14-100-034-5120-067	53,071	7-1-2013	6-30-2014		15,668	
Transportation	14-100-034-5120-067	20,726	7-1-2013	6-30-2014		3,186	
Auxiliary Services (Ch. 192)							
Compensatory Education	15-100-034-5120-067	48,373	7-1-2014	6-30-2015			
English as a Second Language	15-100-034-5120-067		7-1-2014	6-30-2015			
Transportation	15-100-034-5120-067	9,330	7-1-2014	6-30-2015			
Handicapped Services (Ch. 193)							
Examination & Classification	14-100-034-5120-066	29,622	7-1-2013	6-30-2014		1,597	
Corrective Speech	14-100-034-5120-066	32,810	7-1-2013	6-30-2014		7,499	
Handicapped Services (Ch. 193)							
Examination & Classification	15-100-034-5120-066	26,841	7-1-2014	6-30-2015			
Corrective Speech	15-100-034-5120-066	30,039	7-1-2014	6-30-2015			
Supplemental Instruction	15-100-034-5120-066	16,479	7-1-2014	6-30-2015			
Total Nonpublic Aid:					-	28,073	-
Preschool Education Aid							
Preschool Education Aid	14-495-034-5120-086	889,812	7-1-2013	6-30-2014	6,217		
Preschool Education Aid	15-495-034-5120-086	833,316	7-1-2014	6-30-2015			
Total Preschool Education Aid					6,217	-	-
IDEAL Grant							
IDEAL Grant	Not Available	41,566	7-1-2008	6-30-2009	48,883		
IDEAL Grant	Not Available	60,000	7-1-2009	6-30-2010	(3,000)		
Total IDEAL Grant					45,883	-	-
Include Grant							
Include Grant	Not Available	226,000	7-1-2008	6-30-2009	32,288		
Include Grant	Not Available	240,000	7-1-2009	6-30-2010	3,239		
Total Include Grant					35,527	-	-
Crossing Guard Arm							
Crossing Guard Arm	Not Available	600	7-1-2008	6-30-2009	600		
NJ Center for Teacher/Learn Math							
NJ Center for Teacher/Learn Math	Not Available	25,000	7-1-2008	6-30-2009	5,447		
NJ Center for Teacher/Learn Math	Not Available	25,000	7-1-2009	6-30-2010	27		
Total NJ Center for Teacher/Learn Math					5,474	-	-
Total Special Revenue Fund					93,701	28,073	-
Enterprise Fund:							
National School Lunch Program (State Share)							
National School Lunch Program (State Share)	14-100-010-3360-067	18,034	7-1-2013	6-30-2014	(4,148)		
National School Lunch Program (State Share)	15-100-010-3360-067	15,938	7-1-2014	6-30-2015			
Total Enterprise Fund					(4,148)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					\$ (2,388,263)	\$ 28,073	\$ -
Total State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-006 / 007	1,425,356	7-1-2014	6-30-2015			
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	495-034-5094-001	2,262,754	7-1-2014	6-30-2015			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ (2,388,263)	\$ 28,073	\$ -

The accompanying Notes to the Financial Statements and 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, 2015			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2015	Cumulative Total Expenditures
\$ 1,817,038		\$ 20,154,580		\$ (1,805,559)			\$ (1,805,559)	\$ 20,154,580
18,349,021		54,078		(5,408)			(5,408)	54,078
48,670								
1,289								
11,605		12,894		(1,289)			(1,289)	11,894
46,153								
415,377		461,530		(46,153)			(46,153)	461,530
228,735								
2,058,617		2,287,352		(228,735)			(228,735)	2,287,352
37,602		41,780		(4,178)			(4,178)	41,780
37,602		41,780		(4,178)			(4,178)	41,780
23,051,709	-	23,053,994	-	(2,095,500)	-	-	(2,095,500)	23,053,994
31,671								
285,037		316,708		(31,671)			(31,671)	316,708
37,493								
		37,018		(37,018)			(37,018)	37,018
354,201	-	353,726	-	(68,689)	-	-	(68,689)	353,726
216,114								
		236,902		(236,902)			(236,902)	236,902
216,114	-	236,902	-	(236,902)	-	-	(236,902)	236,902
99,323								
1,939,077		2,039,950		(100,873)			(100,873)	2,039,950
2,038,400	-	2,039,950	-	(100,873)	-	-	(100,873)	2,039,950
25,660,424	-	25,684,572	-	(2,501,964)	-	-	(2,501,964)	25,684,572
15,271		15,271						15,271
9,592		9,499				\$ 93		9,499
5,152		4,978	\$ (123)			174		4,978
			(15,668)					
			(3,186)					
48,373		36,728				11,645		36,728
9,330		7,011				2,319		7,011
			(1,597)					
			(7,499)					
26,841		23,959				2,882		23,959
30,039		17,140				12,899		17,140
16,479		14,203				2,276		14,203
161,077	-	128,789	(28,073)	-	-	32,288	-	128,789
88,981		95,198						95,198
775,189		763,323		(83,332)	\$ 95,198		(83,332)	763,323
864,170	-	858,521	-	(83,332)	95,198	-	(83,332)	858,521
				(3,000)	48,883		(3,000)	
				(3,000)	48,883	-	(3,000)	-
					32,288			
					3,239			
					35,527			
					600			
					5,447			
					27			
					5,474			
1,025,247	-	987,310	(28,073)	(86,332)	185,682	32,288	(86,332)	987,310
4,148								
14,803		15,938		(1,135)			(1,135)	15,938
18,951	-	15,938	-	(1,135)	-	-	(1,135)	15,938
\$ 26,704,622	\$ -	\$ 26,687,820	\$ (28,073)	\$ (2,589,431)	\$ 185,682	\$ 32,288	\$ (2,589,431)	\$ 26,687,820
1,425,356		1,425,356						
2,262,754		2,262,754						
3,688,110	-	3,688,110	-	-	-	-	-	-
\$ 30,392,732	\$ -	\$ 30,375,930	\$ (28,073)	\$ (2,589,431)	\$ 185,682	\$ 32,288	\$ (2,589,431)	\$ 26,687,820

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity 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 and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules 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 these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$(2,285) for the general fund and \$(83,311) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(88,960) for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 117,830	\$ 2,970,397	\$ 3,088,227
Special Revenue	1,842,916	876,698	2,719,614
Food Service	<u>937,906</u>	<u>5,938</u>	<u>943,844</u>
Total Awards and Financial Assistance	<u>\$ 2,898,652</u>	<u>\$ 3,853,033</u>	<u>\$ 6,751,685</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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2013-2014.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2015 the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of the American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 7: 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 Fiscal Year Ended June 30, 2015**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	NCLB: Title I, Part A
84.027	Special Education Cluster: IDEA Part B - Basic
84.173	IDEA Part B - Preschool
10.553	Child Nutrition Cluster: School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program - HHFKA
10.556	Special Milk Program
10.555	Food Distribution Program

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

Auditee qualified as low-risk auditee? x yes no

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015**

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? _____ yes none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<u>State Aid Public:</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-085</u>	<u>Security Aid</u>
<u>495-034-5120-083</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-068</u>	<u>School Choice</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5095-002</u>	<u>Reimbursed TPAF SS Contributions</u>
<u>495-034-5120-086</u>	<u>Preschool Education Aid</u>

Dollar threshold used to determine Type A programs \$ 800,635

Auditee qualified as low-risk auditee? _____ yes _____ no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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 Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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, 2015

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 15-08-OMB.

No Current Year Findings.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

Finding No. 2014-001

Program

National School Lunch Program (CFDA 10.555), National School Lunch Program - HHFKA (CFDA 10.555), Food Distribution Program (CFDA 10.555), School Breakfast Program (10.553).

Condition

One of the ten reimbursement requests was certified after the 60 day requirement.

Current Status

The finding has been corrected for fiscal year ending June 30, 2015.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.

