

**TOWNSHIP OF DEPTFORD**

**SCHOOL DISTRICT**

**DEPTFORD, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**



# DEPTFORD TOWNSHIP BOARD OF EDUCATION

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

**Dr. Charles R. Ford, Jr.**  
*Superintendent*

**Carolyn Morehead**  
*Assistant Superintendent*

**Michael Griggel**  
*Business Administrator/Board Secretary*

**Kelly Brazelton**  
*Assistant Business Administrator*

December 2, 2016

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, 2016, 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;

*"Building Spartan Pride through the Educational Process  
to Develop a Spartan-Proud Community"*

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, Uniform Guidance, and the State Treasury Circular Letter 15-08 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 2015-2016 fiscal year with an average daily enrollment of 4327 students, which are 14 students more 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)
2011-12	4355.9	0.09%
2012-13	4331.4	(0.56%)
2013-14	4344.5	.30%
2014-15	4309	(80%)
2015-16	4327	.30%

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 2016-17 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 continued implementation of the 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 districts 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 Board technology 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, 2016.

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 Uniform Guidance and state Treasury Circular Letter 15-08 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,

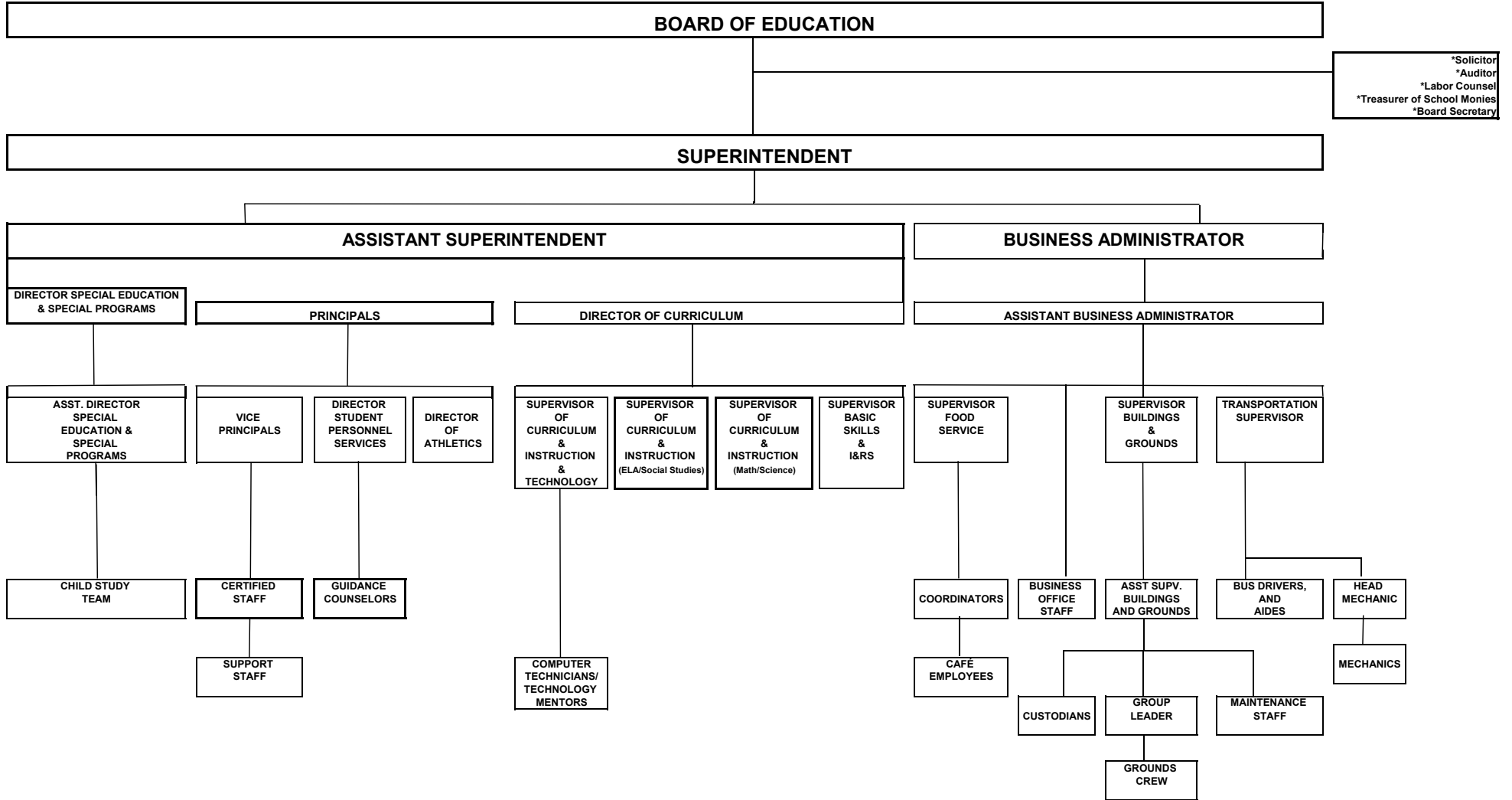


Dr. Charles R. Ford, Jr.  
Superintendent



Michael Griggel  
Business Administrator/  
Board Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART



\*Solicitor  
 \*Auditor  
 \*Labor Counsel  
 \*Treasurer of School Monies  
 \*Board Secretary

# DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

## ROSTER OF OFFICIALS

JUNE 30, 2016

### Members of the Board of Education

### Term Expires

Jeanine Donohue	2016
Mark Getsinger	2016
Linda Rosser	2016
Trevaline Jackson	2017
Brian McDonald (President)	2017
Matthew Vilary	2017
Susan Kryszczak (Vice President)	2018
James McDevitt, III	2018
Laura Newcomb	2018

### Other Officials

Dr. Charles Ford, Jr., Superintendent

Carolyn Morehead, Assistant Superintendent

Michael Griggel, School Business Administrator/Board Secretary

# **DEPTFORD TOWNSHIP BOARD OF EDUCATION**

## **CONSULTANTS AND ADVISORS**

### **ARCHITECT**

Fraytak, Veisz, Hopkins, Duthie, P.C.  
1515 Lower Ferry Road  
Trenton, NJ 08618

### **AUDIT FIRM**

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

### **ATTORNEYS**

Rob Muccilli  
Capehart Scatchard  
Laurel Corporate Center  
8000 Midlantic Drive, Suite 300 South  
Mt. Laurel, NJ 08054

Isabel Machado  
Machado Law Group  
Clark Parkway Plaza  
136 Central Avenue, Second Floor  
Clark, NJ 07066

### **OFFICIAL DEPOSITORY**

Columbia Bank  
1460 Clements Bridge Road  
Deptford, NJ 08096

**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, 2016, 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, 2016, 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.

## **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 ontributions, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 relate 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 2, 2016 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 2, 2016



**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, 2016, 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 2, 2016.

***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  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
December 2, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

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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, 2016 and 2015. 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 2016:

- The liabilities and deferred inflows of resources of the Township of Deptford School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$2,896,359 (net position). This deficit is a result of the effects of Governmental Accounting Standards Board (GASB) statement No. 68, described later.
- The School District's total net position decreased by \$4,813,034.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$4,237,157, a decrease of \$2,088,185 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 \$736,865, which is a decrease of \$27,802 in comparison with the prior year.
- The Township of Deptford School District's total debt decreased by \$1,105,000 as a result of debt payments, and a refunding bond issue.

## **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, 2016  
(Unaudited) (Cont'd)

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**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, 2016  
(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 2016 and 2015.

**TABLE 1**  
Net Position

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 5,194,061	\$ 7,400,642	\$ (2,206,581)	-29.82%
Capital Assets	29,187,064	30,915,650	(1,728,586)	-5.59%
Total Assets	<u>34,381,125</u>	<u>38,316,292</u>	<u>(3,935,167)</u>	<u>-10.27%</u>
Deferred Outflows of Resources:				
Related to Pensions	<u>6,531,842</u>	<u>2,500,371</u>	<u>4,031,471</u>	<u>100.00%</u>
Liabilities:				
Long-Term Liabilities	39,016,057	33,528,444	5,487,613	16.37%
Other Liabilities	<u>4,303,401</u>	<u>3,913,910</u>	<u>389,491</u>	<u>9.95%</u>
Total Liabilities	<u>43,319,458</u>	<u>37,442,354</u>	<u>5,877,104</u>	<u>15.70%</u>
Deferred Inflow of Resources - Related to Pensions	<u>489,868</u>	<u>1,457,634</u>	<u>(967,766)</u>	<u>100.00%</u>
Net Position:				
Net Investment in Capital Assets	21,004,184	22,274,201	(1,270,017)	-5.70%
Restricted	3,960,362	6,963,929	(3,003,567)	-43.13%
Unrestricted (Deficit)	<u>(27,860,905)</u>	<u>(27,321,455)</u>	<u>(539,450)</u>	<u>1.97%</u>
Total Net Position (Deficit)	<u>\$ (2,896,359)</u>	<u>\$ 1,916,675</u>	<u>\$ (4,813,034)</u>	<u>-251.11%</u>

This is the second year of implementation for 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 68. Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Unrestricted Net Position.

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 6,531,842	\$ 2,500,371	\$ 4,031,471	100.00%
Less: Net Pension Liability	(30,468,065)	(24,459,139)	(6,008,926)	24.57%
Less: Deferred Inflows Related to Pensions	<u>(489,868)</u>	<u>(1,457,634)</u>	<u>967,766</u>	<u>-100.00%</u>
	<u>\$ (24,426,091)</u>	<u>\$ (23,416,402)</u>	<u>\$ (1,009,689)</u>	<u>4.31%</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2016 and 2015.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,079,503	\$ 913,276	\$ 166,227	18.20%
Operating Grants and Contributions	4,001,644	3,689,471	312,173	8.46%
General Revenues:				
Property Taxes	39,908,282	38,624,680	1,283,602	3.32%
Grants and Contributions	38,751,107	36,153,215	2,597,892	7.19%
Other	114,976	323,818	(208,842)	-64.49%
<b>Total Revenues</b>	<u>83,855,512</u>	<u>79,704,460</u>	<u>4,151,052</u>	<u>5.21%</u>
<b>Expenses:</b>				
Instruction:				
Regular	25,405,080	24,140,864	1,264,216	5.24%
Special Education	4,167,971	3,474,029	693,942	19.98%
Other Special Instruction	1,741,812	1,637,303	104,509	6.38%
Student Services:				
Tuition	4,576,912	4,757,738	(180,826)	-3.80%
Student and Instruction Related	7,641,053	6,801,746	839,307	12.34%
General Administrative Services	992,939	1,042,134	(49,195)	-4.72%
School Administrative Services	2,889,437	2,706,266	183,171	6.77%
Central Services	717,907	662,054	55,853	8.44%
Administrative Information Technology	905,070	934,583	(29,513)	-3.16%
Plant Operations and Maintenance	6,299,320	6,074,793	224,527	3.70%
Pupil Transportation	4,086,791	4,215,472	(128,681)	-3.05%
Unallocated Benefits	26,717,805	22,724,819	3,992,986	17.57%
Special Schools	90,554		90,554	
Transfer to Charter School	139,758	105,349	34,409	32.66%
Payment on Bond Issue Costs	115,069		115,069	
Interest on Long-Term Debt	416,030	516,141	(100,111)	-19.40%
Food Service	1,765,038	1,579,611	185,427	11.74%
<b>Total Expenses</b>	<u>88,668,546</u>	<u>81,372,902</u>	<u>7,295,644</u>	<u>8.97%</u>
Increase (Decrease) in Net Position	(4,813,034)	(1,668,442)	(3,144,592)	1.88
Beginning Net Position	1,916,675	3,585,117	(1,668,442)	-46.54%
Ending Net Position	<u>\$ (2,896,359)</u>	<u>\$ 1,916,675</u>	<u>\$ (4,813,034)</u>	<u>-251.11%</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2015-2016, Governmental Activities Revenues were \$82,220,199 or 98.05% of total revenues.

In 2014-2015, Governmental Activities Revenues were \$78,152,210 or 98.05% of total revenues.

In 2015-2016, General Revenues - Property Taxes of \$39,908,282 made up 53.79%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$30,730,259 made up 41.42% of Governmental Activities 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 2015-2016, the School District's Governmental Activities expenditures increased by \$7,110,217 or 8.91%.

**Business-Type Activities**

In 2015-2016 Business-Type Activities Revenues were \$1,635,313 or 2.16% of total revenues. In 2014-2015 Business-Type Activities Revenues were \$1,552,250 or 2.13% of total revenues.

Charges for Services for Business-Type Activities were \$627,124 in 2015-2016 compared to \$590,621 in 2014-2015, a 6.18% increase.

Operating Grants and Contributions for Business-Type Activities were \$1,008,189 in 2015-2016 compared to \$953,844 in 2014-2015, a 5.70% increase.

Expenses for Business-Type Activities were \$1,765,038 in 2015-2016 compared to \$1,579,611 in 2014-2015, a 11.74% increase.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$62,421,704, which was greater than the original budget.

The 2015-2016 General Fund Tax Levy was \$38,464,482, an increase of \$1,275,602 or 3.43% from the 2014-2015 General Fund Tax Levy of \$37,188,880.

During fiscal year 2016, the School District budgeted \$38,464,482 for property taxes (local tax levy) and \$23,657,806 for state aid revenues.

The School District also received \$2,106,028 and \$4,718,107 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 \$2,106,028 and \$4,718,107 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$66,050,705, which was greater than the original budget.

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(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 \$4,237,157, a decrease of \$2,088,185 in comparison with the prior year.

Of the combined ending fund balances of \$4,237,157, \$807,485 constitutes unassigned fund balance deficits. The remainder of fund balance of \$5,044,642 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 a deficit of \$179,900 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, 2016 amounts to \$29,187,064 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net decrease in the Township of Deptford School District's investment in capital assets for the current fiscal year of 5.7%. The net decrease was the result of the net effect of the 2016 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, 2016</u>	<u>June 30, 2015</u>
Land	\$ 210,136	\$ 210,136
Site Improvements	414,217	416,861
Building and Improvements	26,580,499	28,517,160
Equipment	<u>1,982,212</u>	<u>1,771,493</u>
 Total Capital Assets	 <u>\$ 29,187,064</u>	 <u>\$ 30,915,650</u>

Depreciation expense was \$3,483,968 for fiscal year ended 2016 and \$2,523,609 for fiscal year ended 2015.

**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 \$7,490,000. The entire Township of Deptford School District's bonded debt is governmental as opposed to business-type. The 2017 adopted budget has an appropriation of \$1,210,000 representing the payment of the annual principal. The 2016 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, 2016  
(Unaudited) (Cont'd)

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**FACTORS ON THE DISTRICT'S FUTURE**

For the 2015-16 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 53.8% of total revenue is from local tax levy and 41.4% 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, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,887,294	\$ 472,772	\$ 2,360,066
Receivables, net	743,151	161,247	904,398
Internal Balances	602,605	(602,605)	-
Inventory		18,274	18,274
Restricted Assets:			
Restricted Cash and Cash Equivalents	159,235		159,235
Capital Reserve Account - Cash	1,752,088		1,752,088
Capital Assets, net (Note 6)	<u>29,001,663</u>	<u>185,401</u>	<u>29,187,064</u>
<b>Total Assets</b>	<u>34,146,036</u>	<u>235,089</u>	<u>34,381,125</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pension (Note 8)	<u>6,531,842</u>		<u>6,531,842</u>
<b>LIABILITIES:</b>			
Accounts Payable:			
Related to Pensions	1,264,072		1,264,072
Other	768,662	190,144	958,806
Payable to State Government	32,627		32,627
Unearned Revenue	105,927		105,927
Accrued Interest Payable	9,606		9,606
Noncurrent Liabilities (Note 7):			
Due within One Year	1,921,267	11,096	1,932,363
Due beyond One Year	<u>38,987,709</u>	<u>28,348</u>	<u>39,016,057</u>
<b>Total Liabilities</b>	<u>43,089,870</u>	<u>229,588</u>	<u>43,319,458</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Related to Pension (Note 8)	<u>489,868</u>		<u>489,868</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	20,818,783	185,401	21,004,184
Restricted for:			
Debt Service	9,269		9,269
Other Purposes	3,951,093		3,951,093
Unrestricted (Deficit)	<u>(27,681,005)</u>	<u>(179,900)</u>	<u>(27,860,905)</u>
<b>Total Net Position (Deficit)</b>	<u>\$ (2,901,860)</u>	<u>\$ 5,501</u>	<u>\$ (2,896,359)</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, 2016

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
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 25,405,080		\$ 931,223	\$ (24,473,857)		\$ (24,473,857)
Special Education	4,167,971	\$ 452,379	446,634	(3,268,958)		(3,268,958)
Other Special Instruction	1,741,812			(1,741,812)		(1,741,812)
Support Services:						
Tuition	4,576,912		1,175,914	(3,400,998)		(3,400,998)
Student and Instruction Related Services	7,641,053		343,875	(7,297,178)		(7,297,178)
General Administrative Services	992,939			(992,939)		(992,939)
School Administrative Services	2,889,437			(2,889,437)		(2,889,437)
Central Services	717,907			(717,907)		(717,907)
Administrative Information Technology	905,070			(905,070)		(905,070)
Plant Operations and Maintenance	6,299,320			(6,299,320)		(6,299,320)
Pupil Transportation	4,086,791			(4,086,791)		(4,086,791)
Unallocated Benefits	26,717,805		95,809	(26,621,996)		(26,621,996)
Special School	90,554			(90,554)		(90,554)
Transfer to Charter School	139,758			(139,758)		(139,758)
Payment of Bond Issue Costs	115,069			(115,069)		(115,069)
Interest on Long-Term Debt	416,030			(416,030)		(416,030)
<b>Total Governmental Activities</b>	<b>86,903,508</b>	<b>452,379</b>	<b>2,993,455</b>	<b>(83,457,674)</b>	<b>-</b>	<b>(83,457,674)</b>
<b>Business-Type Activities:</b>						
Food Service	1,765,038	627,124	1,008,189		\$ (129,725)	(129,725)
<b>Total Business-Type Activities</b>	<b>1,765,038</b>	<b>627,124</b>	<b>1,008,189</b>	<b>-</b>	<b>(129,725)</b>	<b>(129,725)</b>
<b>Total Primary Government</b>	<b>\$ 88,668,546</b>	<b>\$ 1,079,503</b>	<b>\$ 4,001,644</b>	<b>(83,457,674)</b>	<b>(129,725)</b>	<b>(83,587,399)</b>
<b>General Revenues and Loss:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, net				38,464,482		38,464,482
Taxes Levied for Debt Service				1,443,800		1,443,800
Federal and State Aid Not Restricted				38,751,107		38,751,107
Interest and Investment Earnings				2,528		2,528
Miscellaneous Income				112,448		112,448
<b>Total General Revenues</b>				<b>78,774,365</b>		<b>78,774,365</b>
<b>Change in Net Position</b>				<b>(4,683,309)</b>	<b>(129,725)</b>	<b>(4,813,034)</b>
<b>Net Position -- July 1</b>				<b>1,781,449</b>	<b>135,226</b>	<b>1,916,675</b>
<b>Net Position (Deficit) -- June 30</b>				<b>\$ (2,901,860)</b>	<b>\$ 5,501</b>	<b>\$ (2,896,359)</b>

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,887,294	\$ 149,966		\$ 9,269	\$ 2,046,529
Cash - Capital Reserve Account	1,752,088				1,752,088
Accounts Receivable:					
State	414,569	11,534			426,103
Federal		104,557			104,557
Other	212,491				212,491
Interfunds Receivable	662,125				662,125
<b>Total Assets</b>	<b>\$ 4,928,567</b>	<b>\$ 266,057</b>	<b>\$ -</b>	<b>\$ 9,269</b>	<b>\$ 5,203,893</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 630,059	\$ 138,603			\$ 768,662
Interfunds Payable		59,520			59,520
Payable to State Government		32,627			32,627
Unearned Revenue	-	105,927			105,927
<b>Total Liabilities</b>	<b>630,059</b>	<b>336,677</b>	<b>-</b>	<b>-</b>	<b>966,736</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	1,752,088				1,752,088
Excess Surplus-- Designated for Subsequents Year's Expenditures	1,502,636				1,502,636
Excess Surplus - Current Year	696,369				696,369
Debt Service			\$ 9,269		9,269
<b>Assigned:</b>					
Other Purposes	505,955				505,955
Designated for Subsequent Year's Expenditures	578,325				578,325
Unassigned (Deficit)	(736,865)	(70,620)			(807,485)
<b>Total Fund Balances</b>	<b>4,298,508</b>	<b>(70,620)</b>	<b>-</b>	<b>9,269</b>	<b>4,237,157</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,928,567</b>	<b>\$ 266,057</b>	<b>\$ -</b>	<b>\$ 9,269</b>	

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 \$66,611,153, and the accumulated depreciation is \$37,609,490.	29,001,663
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.	(10,440,911)
Accrued interest payable	(9,606)
Net Pension Liability	(30,468,065)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,264,072)
Deferred Outflows of Resources - Related to Pensions	6,531,842
Deferred Inflows of Resources - Related to Pensions	(489,868)
<b>Net Position of Governmental Activities</b>	<b>\$ (2,901,860)</b>

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 38,464,482			\$ 1,443,800	\$ 39,908,282
Tuition Charges	452,379				452,379
Interest	2,528				2,528
Unrestricted Miscellaneous Revenues	103,179			9,269	112,448
State Sources	30,571,470	\$ 1,033,538			31,605,008
Federal Sources	158,789	1,954,767			2,113,556
Local Sources		5,063			5,063
<b>Total Revenues</b>	<b>69,752,827</b>	<b>2,993,368</b>	<b>-</b>	<b>1,453,069</b>	<b>74,199,264</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	22,484,653	931,224			23,415,877
Special Education Instruction	3,451,225	446,634			3,897,859
Other Special Instruction	1,615,383				1,615,383
<b>Support Services and Undistributed Costs:</b>					
Tuition	3,400,998	1,175,914			4,576,912
Student and Instruction Related Services	6,767,515	343,787			7,111,302
General Administrative Services	992,939				992,939
School Administrative Services	2,679,708				2,679,708
Central Services	665,798				665,798
Administrative Information Technology	839,376				839,376
Plant Operations and Maintenance	6,011,088				6,011,088
Pupil Transportation	4,086,791				4,086,791
Unallocated Benefits	17,348,515	241,602			17,590,117
Special School	90,554				90,554
Transfer to Charter School	139,758				139,758
<b>Debt Service:</b>					
Principal				1,100,000	1,100,000
Interest and Other Charges	147,841		\$ 115,069	343,800	606,710
Capital Outlay	1,541,848	91,056			1,632,904
<b>Total Expenditures</b>	<b>72,263,990</b>	<b>3,230,217</b>	<b>115,069</b>	<b>1,443,800</b>	<b>77,053,076</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,511,163)</b>	<b>(236,849)</b>	<b>(115,069)</b>	<b>9,269</b>	<b>(2,853,812)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In		249,561			249,561
Operating Transfers Out	(249,561)				(249,561)
Capital Leases (Non-Budgeted)	650,558				650,558
Proceeds from Issuance of Refunding Bonds			7,490,000		7,490,000
Premium from Issuance of Refunding Bonds			185,846		185,846
Payment to Escrow for Refunding of 2006 General Obligation Bonds			(7,560,777)		(7,560,777)
<b>Total Other Financing Sources and Uses</b>	<b>400,997</b>	<b>249,561</b>	<b>115,069</b>	<b>-</b>	<b>765,627</b>
<b>Net Change in Fund Balances</b>	<b>(2,110,166)</b>	<b>12,712</b>	<b>-</b>	<b>9,269</b>	<b>(2,088,185)</b>
<b>Fund Balance (Deficit) -- July 1</b>	<b>6,408,674</b>	<b>(83,332)</b>	<b>-</b>	<b>-</b>	<b>6,325,342</b>
<b>Fund Balance (Deficit) -- June 30</b>	<b>\$ 4,298,508</b>	<b>\$ (70,620)</b>	<b>\$ -</b>	<b>\$ 9,269</b>	<b>\$ 4,237,157</b>

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, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	(2,088,185)
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	\$	(3,483,968)
New Capital Leases		(650,558)
Capital Outlays		<u>1,632,904</u>
		(2,501,622)
<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>		
		1,100,000
<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>		
		133,644
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Bond Premiums		7,744
<p>Activity related to the refunding of debt is reported on the fund financial statements as financing sources (uses); whereas, on the government-wide financial statements such activity is reported as a change in net position</p>		
		(180,846)
<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>		
		182,229
<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>		
		(229,433)
<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>(1,106,840)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(4,683,309)</u></u>

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Net Position  
June 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 472,772
Accounts Receivable:	
State	852
Federal	51,193
Other	109,202
Inventories	<u>18,274</u>
Total Current Assets	<u>652,293</u>
Noncurrent Assets:	
Equipment	661,159
Less Accumulated Depreciation	<u>(475,758)</u>
Total Noncurrent Assets	<u>185,401</u>
Total Assets	<u>837,694</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Payable	602,605
Accounts Payable	190,144
Compensated Absences Payable	<u>11,096</u>
Total Current Liabilities	<u>803,845</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>28,348</u>
Total Liabilities	<u>832,193</u>
<b>NET POSITION:</b>	
Net Investment In Capital Assets	185,401
Unrestricted	<u>(179,900)</u>
Total Net Position	<u>\$ 5,501</u>

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 355,523
Daily Sales - Non-Reimbursable Programs	260,092
Special Functions	<u>11,509</u>
Total Operating Revenues	<u>627,124</u>
<b>OPERATING EXPENSES:</b>	
Salaries	781,779
Employee Benefits	132,174
Supplies and Materials	72,080
Cost of Sales - Reimbursable Programs	553,879
Cost of Sales - Non-Reimbursable Programs	110,312
Purchased Professional Services	10,015
Other Purchased Services	3,068
Dues and Subscriptions	100
Office and Uniform Expense	12,443
Equipment	10,470
Repairs and Maintenance	14,440
Bank Charges	15,840
Insurance and Fees	21,558
Depreciation	<u>26,880</u>
Total Operating Expenses	<u>1,765,038</u>
Operating Income (Loss)	<u>(1,137,914)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	15,638
Federal Sources:	
National School Lunch Program	645,728
School Breakfast Program	222,772
Healthy Hunger Free Kids Program	18,915
Special Milk Program	4,911
Food Distribution Program	<u>100,225</u>
Total Nonoperating Revenues	<u>1,008,189</u>
Change in Net Position	(129,725)
Net Position -- July 1	<u>135,226</u>
Net Position -- June 30	<u><u>\$ 5,501</u></u>

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 666,601
Payments to Employees	(789,284)
Payments for Employee Benefits	(132,174)
Payments to Suppliers	<u>(328,895)</u>
Net Cash Provided by (used for) Operating Activities	<u>(583,752)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from State and Federal Reimbursements	<u>921,277</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>921,277</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>(149,358)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(149,358)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	188,167
Cash and Cash Equivalents -- July 1	<u>284,605</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 472,772</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For)</b>	
Operating Activities:	
Operating Income (Loss)	\$ (1,137,914)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	26,880
Federal Commodities	100,225
(Increase) Decrease in Inventories	2,641
(Increase) Decrease in Other Current Receivables	39,477
Increase (Decrease) in Other Current Liabilities	392,444
Increase (Decrease) in Compensated Absences Payable	<u>(7,505)</u>
Total Adjustments	<u>554,162</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (583,752)</u></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, 2016

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 690,428	\$ 60,420	\$ 245,816	\$ 1,249,337
Total Assets	<u>690,428</u>	<u>60,420</u>	<u>\$ 245,816</u>	<u>\$ 1,249,337</u>
<b>LIABILITIES:</b>				
Net Payroll - Summer Salary Payable to Student Groups			\$ 245,816	\$ 1,249,337
Total Liabilities			<u>\$ 245,816</u>	<u>\$ 1,249,337</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purpose	<u>\$ 690,428</u>	<u>\$ 60,420</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, 2016

	<u>Private Purposes Trust Funds</u>	
	<u>New Jersey Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 224,625	
Gifts and Contributions		\$ 6,000
	<u>224,625</u>	<u>6,000</u>
Investment Earnings:		
Interest on Investments	1,292	
	<u>1,292</u>	<u>-</u>
Net Investment Earnings		
	<u>1,292</u>	<u>-</u>
Total Additions	<u>225,917</u>	<u>6,000</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	192,203	
Scholarships Awarded		2,500
	<u>192,203</u>	<u>2,500</u>
Total Deductions		
	<u>192,203</u>	<u>2,500</u>
Change in Net Position	33,714	3,500
Net Position -- July 1	<u>656,714</u>	<u>56,920</u>
Net Position -- June 30	<u>\$ 690,428</u>	<u>\$ 60,420</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, 2016

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**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, 2016 of 4,328.

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 fund:

***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 Trust** - 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** - 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.

**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.

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.

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

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, 2016.

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.



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

**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 acquisition 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.

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, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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, 2016, 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.

**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.

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

**Fund Balance**

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

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

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

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

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

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

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

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

**Interfund Activity**

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

**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, 2016, the School District adopted GASB 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 adoption of this Statement had no impact on the basic financial statements of the School District.

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

In addition, the School District adopted GASB 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 adoption of this Statement had no impact on the basic financial statements of the School District.

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 adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

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 basic financial statements of the School District.

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 basic financial statements of the School District.

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 basic financial statements of the School District.

**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. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. 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 basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. 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 basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. 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 basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

**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, 2016, the School District's bank balance of \$5,789,387 was exposed to custodial credit risk as follows:

Insured under FDIC	\$ 250,000
Insured under GUDPA	3,607,445
Uninsured/Uncollateralized	<u>1,931,942</u>
	<u>\$ 5,789,387</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, 2016, the School District's deposits with the New Jersey Cash Management Fund were \$1,568,771.

**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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance July 1, 2015	\$ 2,502,088
Withdrawals	<u>(750,000)</u>
Ending Balance June 30, 2016	<u>\$ 1,752,088</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 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, 2016 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.

**Note 4: ACCOUNTS RECEIVABLES (CONT'D)**

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		\$ 104,557	\$ 104,557	\$ 51,193	\$ 51,193	\$ 155,750
State Awards	\$ 414,569	11,534	426,103	852	852	426,955
Other	<u>212,491</u>		<u>212,491</u>	<u>109,202</u>	<u>109,202</u>	<u>321,693</u>
Total	\$ <u>627,060</u>	\$ <u>116,091</u>	\$ <u>743,151</u>	\$ <u>161,247</u>	\$ <u>161,247</u>	\$ <u>904,398</u>

**Note 5: INVENTORY**

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 11,943
Supplies	<u>6,331</u>
	\$ <u>18,274</u>



**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance July 30, 2016</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	\$ 74,327		1,090,653
Building and Improvements	57,242,019	338,970	\$ (225,706)	57,355,283
Equipment	10,081,921	1,219,607	(3,346,447)	7,955,081
Total Capital Assets, being Depreciated	<u>68,340,266</u>	<u>1,632,904</u>	<u>(3,572,153)</u>	<u>66,401,017</u>
Less Accumulated Depreciation				
Land Improvements	(599,465)	(76,971)		(676,436)
Building and Improvements	(28,724,859)	(2,271,927)	222,001	(30,774,785)
Equipment	(8,373,351)	(1,019,928)	3,235,010	(6,158,269)
Total Accumulated Depreciation	<u>(37,697,675)</u>	<u>(3,368,826)</u>	<u>3,457,011</u>	<u>(37,609,490)</u>
Total Capital Assets, being Depreciated, Net	<u>30,642,591</u>	<u>(1,735,922)</u>	<u>(115,142)</u>	<u>28,791,527</u>
Governmental Activities Capital Assets, Net	\$ <u>30,852,727</u>	\$ <u>(1,735,922)</u>	\$ <u>(115,142)</u>	\$ <u>29,001,663</u>
Business-Type Activities:				
Capital Assets, being Depreciated				
Equipment	\$ 511,801	\$ 149,358		\$ 661,159
Less Accumulated Depreciation	(448,878)	(26,880)		(475,758)
Total Business-Type Activities Capital Assets, Net	\$ <u>62,923</u>	\$ <u>(122,478)</u>	\$ <u>-</u>	\$ <u>185,401</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

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

**Governmental Activities:**

Regular Instruction	\$ 1,759,772
Special Instruction	270,112
Other Special Instruction	126,429
Student & Instruction Related Services	529,663
School Administrative Services	327,532
Plant Operations and Maintenance	<u>470,461</u>

Total Depreciation – Governmental Activities \$ 3,483,969

**Business-Type Activities:**

Food Service	<u>\$ 26,880</u>
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Total Depreciation – Business-Type Activities \$ 26,880

**Note 7: LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ <u>8,595,000</u>	\$ <u>7,490,000</u>	\$ <u>(8,595,000)</u>	\$ <u>7,490,000</u>	\$ <u>1,210,000</u>
Unamortized Cost of Premium on Bonds		<u>185,846</u>	<u>(7,744)</u>	<u>178,102</u>	
Other Liabilities:					
Net Pension Liability	24,459,169	8,999,135	(2,990,239)	30,468,065	
Obligations under Capital Lease	46,449	650,558	(182,229)	514,778	175,092
Compensated Absences	<u>2,028,598</u>	<u>904,235</u>	<u>(674,802)</u>	<u>2,258,031</u>	<u>536,175</u>
Total Other Liabilities	<u>26,534,216</u>	<u>10,553,928</u>	<u>(3,847,270)</u>	<u>33,240,874</u>	<u>711,267</u>
Governmental Activity Long-term Liabilities	<u>\$ 35,129,216</u>	<u>\$ 18,229,774</u>	<u>\$ (12,450,014)</u>	<u>\$ 40,908,976</u>	<u>\$ 1,921,267</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, 2016, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 46,949	\$ 41,610	\$ (49,115)	\$ 39,444	\$ 11,096

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</u> <u>Of Issue</u>	<u>Maturities</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
2016	\$ 7,490,000	2017 to 2022	2.0-3.0%	\$ 7,490,000

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,210,000	\$ 138,686	\$ 1,348,686
2018	1,210,000	137,900	1,347,900
2019	1,230,000	113,700	1,343,700
2020	1,265,000	76,800	1,341,800
2021	1,290,000	51,500	1,341,500
2022	1,285,000	25,700	1,310,700
	<u>\$ 7,490,000</u>	<u>\$ 544,286</u>	<u>\$ 8,034,286</u>

**Bonds Authorized But Not Issued** - As of June 30, 2016, the School District had no authorized but not issued bonds.

**Obligation under Capital Lease** - The School District is leasing bus equipment totaling \$747,549 under a capital lease. The capital lease is for a terms of three to 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, 2016.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 175,092	\$ 8,310	\$ 183,402
2018	153,886	5,408	159,294
2019	92,140	3,066	95,206
2020	93,660	1,545	95,205
	<u>\$ 514,778</u>	<u>\$ 18,329</u>	<u>\$ 533,107</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 13 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 8. 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: 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 (the "Division"). 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 Division. 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.nj.gov/treasury/pensions>

**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.

**Note 8: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)**

**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 enrolled in SPRS or PFRS after May 21, 2010, 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 tier 3 enrollment 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 tiers 4 or 5 enrollment, 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.

The following represents the membership tiers for TPAF:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**Note 8: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**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 7.06% in State fiscal year 2016. 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 2015, 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*.

**Note 8: PENSION PLANS (CONT'D)****Contributions (Cont'd)**

**Teachers' Pension and Annuity Fund (cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 4.95% of the School District's covered 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, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$1,416,894, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$710,920.

**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 7.06% in State fiscal year 2016. 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, 2016 was 12.88% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$1,166,891, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$2,048,894

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$53,127, and the School District recognized pension expense of \$27,496. There were no forfeitures during the fiscal year.

**Note 8: 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, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

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>166,634,271</u>
	<u>\$ 166,634,271</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. For the June 30, 2015 measurement date, 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 with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .2636440073%, which was a decrease of .0179979280% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$10,174,523 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense was based on the pension plans June 30, 2015 measurement date.

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$30,468,065 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. 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. For the June 30, 2016, the School District's proportion was .1357273274%, which was an increase of .0050884577% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$2,300,901, in the Government-Wide Financial Statements, for pension expense for PERS. This pension expense was based on the pension plans June 30, 2015 measurement date.



**Note 8: 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, 2016, 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	\$ 726,861	\$ -
Changes of Assumptions	3,272,027	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	489,868
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	1,268,882	-
School District Contributions Subsequent to the Measurement Date	<u>1,264,072</u>	<u>-</u>
	<u>\$ 6,531,842</u>	<u>\$ 489,868</u>

\$1,264,072 included deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2017. 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>
2017	\$ 911,846
2018	911,846
2019	911,846
2020	911,846
2021	1,276,252
Thereafter	<u>766,114</u>
	<u>\$ 4,777,902</u>

**Note 8: 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)** – The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2014	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.04%
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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<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>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
	<u>100.00%</u>			<u>100.00%</u>	

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 actuarially determined contributions. 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 previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0 and the State's net pension liability attributable to the School District using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>198,038,603</u>	<u>166,634,271</u>	<u>139,577,560</u>
	<u>\$198,038,603</u>	<u>\$ 166,634,271</u>	<u>\$139,577,560</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, 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 8: 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)**

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 37,868,077</u>	<u>\$ 30,468,065</u>	<u>\$ 24,263,949</u>

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

**Note 9: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**Note 10: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, 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, post-retirement medical costs, and non-contributory insurance were \$2,051,483, \$2,564,432, and \$102,192, respectively.

**Note 11: RISK MANAGEMENT**

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

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

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

**New Jersey Unemployment Compensation Insurance** - The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 1,292	\$ 224,625	\$ 192,203	\$ 691,428
2015	338	94,956	86,221	657,714
2014	335	248,163	240,099	647,641

**Joint Insurance Pool** - The School District is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF). The Fund provides the School District with the following coverage:

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

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

GCSSD Joint Insurance Fund  
P.O. Box 449  
Marlton, New Jersey 08053

**Note 12: DEFERRED COMPENSATION**

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

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

**Note 13: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees, 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, 2016 the liability for compensated absences reported on the government-wide statement of net position was \$2,258,031.



**Note 14: INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 662,125	
Special Revenue		\$ 59,520
Proprietary		602,685
	<u>\$ 662,125</u>	<u>\$ 662,125</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, 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>\$ 249,561</u>
Total Transfers	<u>\$ 249,561</u>

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

**Note 15: CAPITAL DEBT REFUNDING**

On March 23, 2016, the School District issued \$7,490,000 in general obligation bonds with an interest rate of 2.0% - 4.0% to refund \$7,495,000 of outstanding 2002 series bonds with an interest rate of 4.00%. This transaction resulted in bond premiums equal to \$185,846 that will be amortized over the next ten years. As a result of the current refunding, the School District will reduce its total debt service payments over the next six years by almost \$540,000, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$520,000, or 6.957% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the School District's financial statements.

**Note 16: 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 17: 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 18: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$736,865 and \$70,620 in the General Fund and Special Revenue Fund respectively as of June 30, 2016 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 \$807,485 is less than the June state aid payments.

**Note 19: FUND BALANCES****RESTRICTED**

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$696,369. Additionally, \$1,502,636 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

**For Capital Reserve Account** - As of June 30, 2016, the balance in the capital reserve account is \$1,752,088. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Note 19: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)****General Fund (cont'd)**

**For Debt Service Reserve** - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$9,269 as of June 30, 2016. These funds were derived from the proceeds from the sale of school district property. The funds are to be used to retire any outstanding debt service obligation of the School District. The debt service reserve is to be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance must be used for tax relief.

**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, \$578,325 of general fund balance at June 30, 2016.

**Other Purposes** - As of June 30, 2016, the School District had \$505,955 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, 2016, the fund balance of the general fund was a deficit of \$736,865, 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 18, 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 general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$736,865 is less than the last state aid payment.

**Special Revenue Fund** - As of June 30, 2016, the fund balance of the special revenue fund was a deficit of \$70,620, 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 18, 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 \$70,620 is less than the last state aid payment.

**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, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 38,464,482	-	\$ 38,464,482	\$ 38,464,482	
Tuition - LEAs w/in state	192,584	-	192,584	452,379	\$ 259,795
Interest	1	-	1	2,528	2,527
Bus Advertisement		\$ 2,415	2,415		(2,415)
Miscellaneous	43,000	-	43,000	103,179	60,179
<b>Total - Local Sources</b>	<b>38,700,067</b>	<b>2,415</b>	<b>38,702,482</b>	<b>39,022,568</b>	<b>320,086</b>
State Sources:					
Equalization Aid	20,154,580	-	20,154,580	20,154,580	-
Nonpublic Transportation Aid		-		42,947	42,947
Extraordinary Aid	215,000	-	215,000	268,256	53,256
Categorical Special Education Aid	2,287,352	-	2,287,352	2,287,352	-
Categorical Security Aid	461,530	-	461,530	461,530	-
Categorical Transportation Aid	316,708	-	316,708	316,708	-
Under Adequacy Aid	12,894	-	12,894	12,894	-
School Choice Aid	126,182	-	126,182	126,182	-
PARCC Readiness	41,780	-	41,780	41,780	-
Per Pupil Growth	41,780	-	41,780	41,780	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)		-		2,051,483	2,051,483
On-Behalf T.P.A.F. Non-contributory Insurance (non-budgeted)		-		102,192	102,192
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)		-		2,564,432	2,564,432
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		2,106,028	2,106,028
<b>Total - State Sources</b>	<b>23,657,806</b>	<b>-</b>	<b>23,657,806</b>	<b>30,578,144</b>	<b>6,920,338</b>
Federal Sources:					
Medicaid Reimbursement	61,416	-	61,416	158,789	97,373
<b>Total - Federal Sources</b>	<b>61,416</b>	<b>-</b>	<b>61,416</b>	<b>158,789</b>	<b>97,373</b>
<b>Total Revenues</b>	<b>62,419,289</b>	<b>2,415</b>	<b>62,421,704</b>	<b>69,759,501</b>	<b>7,337,797</b>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool					
Kindergarten	\$ 1,258,012	\$ (177,597)	\$ 1,080,415	\$ 1,079,416	\$ 999
Grades 1-5	8,805,834	57,461	8,863,295	8,863,295	-
Grades 6-8	4,845,383	(430,059)	4,415,324	4,415,324	-
Grades 9-12	5,530,257	34,592	5,564,849	5,564,849	-
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000	(18,317)	81,683	81,683	-
Purchased Services	80,000	(25,250)	54,750	54,750	-
Regular Programs - Undistr buted Instruction:					
Other Salaries for Instruction	267,880	(114,620)	153,260	153,260	-
Purchased Professional / Educational Services	670,133	26,263	696,396	627,360	69,036
Purchased Technical Services	58,168	-	58,168	57,748	420
Rentals		207,727	207,727	207,727	-
Other Purchased Services	244,895	(187,470)	57,425	42,007	15,418
Travel		12,865	12,865	9,153	3,712
General Supplies	937,110	191,327	1,128,437	1,103,905	24,532
Textbooks	255,157	11,521	266,678	220,050	46,628
Other Objects	4,324	(2,774)	1,550	1,550	-
Miscellaneous		3,249	3,249	2,576	673
Total Regular Programs	<u>23,057,153</u>	<u>(411,082)</u>	<u>22,646,071</u>	<u>22,484,653</u>	<u>161,418</u>
Special Education - Instruction:					
Cognitive - Moderate:					
Salaries of Teachers	201,665	1,600	203,265	203,265	-
Other Salaries for Instruction	100,455	185	100,640	100,640	-
General Supplies	7,975	(561)	7,414	7,414	-
Other Objects	1,496	(179)	1,317	1,317	-
Total Cognitive - Moderate	<u>311,591</u>	<u>1,045</u>	<u>312,636</u>	<u>312,636</u>	<u>-</u>
Learning and Language Disabled:					
Salaries of Teachers	751,899	(90,626)	661,273	661,273	-
Other Salaries for Instruction	401,820	42,893	444,713	444,712	1
General Supplies	21,485	8,554	30,039	30,039	-
Total Learning and Language Disabled	<u>1,175,204</u>	<u>(39,179)</u>	<u>1,136,025</u>	<u>1,136,024</u>	<u>1</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

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	\$ 373,330	\$ (27,342)	\$ 345,988	\$ 345,988	
Other Salaries for Instruction	200,910	(83,795)	117,115	117,114	\$ 1
General Supplies	4,900	(3,530)	1,370	1,370	-
Total Behavioral Disabilities	<u>579,140</u>	<u>(114,667)</u>	<u>464,473</u>	<u>464,472</u>	<u>1</u>
Multiple Disabilities:					
Salaries of Teachers	397,805	145,165	542,970	542,970	-
Other Salaries for Instruction	233,490	111,288	344,778	344,778	-
General Supplies	4,700	(885)	3,815	3,815	-
Total Multiple Disabilities	<u>635,995</u>	<u>255,568</u>	<u>891,563</u>	<u>891,563</u>	<u>-</u>
Autism:					
Salaries of Teachers	318,675	(52,199)	266,476	266,476	-
Other Salaries for Instruction	167,425	(43,438)	123,987	123,987	-
General Supplies	13,491	(11,405)	2,086	2,086	-
Total Autism	<u>499,591</u>	<u>(107,042)</u>	<u>392,549</u>	<u>392,549</u>	<u>-</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	133,471	(9,848)	123,623	123,623	-
Other Salaries for Instruction	100,455	28,463	128,918	128,917	1
General Supplies	1,900	(459)	1,441	1,441	-
Total Preschool Disabilities - Part Time	<u>235,826</u>	<u>18,156</u>	<u>253,982</u>	<u>253,981</u>	<u>1</u>
Total Special Education - Instruction	<u>3,437,347</u>	<u>13,881</u>	<u>3,451,228</u>	<u>3,451,225</u>	<u>3</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	<u>648,286</u>	<u>142,143</u>	<u>790,429</u>	<u>718,957</u>	<u>71,472</u>
Total Basic Skills / Remedial - Instruction	<u>648,286</u>	<u>142,143</u>	<u>790,429</u>	<u>718,957</u>	<u>71,472</u>

(Continued)



## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2016

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	\$ 172,688	\$ 43,411	\$ 216,099	\$ 216,099	
Total Bilingual Education - Instruction	172,688	43,411	216,099	216,099	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	191,507	(44,099)	147,408	135,641	\$ 11,767
General Supplies	20,850	(4,897)	15,953	15,953	-
Other Objects	9,100	835	9,935	9,887	48
Total School Sponsored Cocurricular Activities - Instruction	221,457	(48,161)	173,296	161,481	11,815
School Sponsored Athletics - Instruction:					
Salaries	380,306	55,520	435,826	385,826	50,000
Purchased Services	29,000	(2,001)	26,999	26,999	-
General Supplies	48,690	6,403	55,093	55,093	-
Other Objects	32,900	18,028	50,928	50,928	-
Total School Sponsored Athletics - Instruction	490,896	77,950	568,846	518,846	50,000
Total Instruction	28,027,827	(181,858)	27,845,969	27,551,261	294,708

(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2016

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	\$ 189,000	\$ 36,190	\$ 225,190	\$ 225,048	\$ 142
Tuition to Other LEA's Within State - Special	201,666	70,398	272,064	272,064	-
Tuition to County Voc. School Dist. - Regular	540,000	(136,375)	403,625	403,625	-
Tuition to CSSD & Reg. Day Schools	1,648,760	471,462	2,120,222	2,120,222	-
Tuition to Private Schools for the Disabled - Within State	636,270	(425,671)	210,599	210,599	-
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	162,928	3,212	166,140	166,140	-
Tuition - State Facilities		3,300	3,300	3,300	-
Total Undistributed Expenditures - Instruction	<u>3,378,624</u>	<u>22,516</u>	<u>3,401,140</u>	<u>3,400,998</u>	<u>142</u>
Attendance and Social Work Services:					
Salaries	<u>69,138</u>	<u>13,804</u>	<u>82,942</u>	<u>82,942</u>	<u>-</u>
Total Attendance and Social Work Services	<u>69,138</u>	<u>13,804</u>	<u>82,942</u>	<u>82,942</u>	<u>-</u>
Undistributed Expenditures - Health Services:					
Salaries	524,321	(28,468)	495,853	495,853	-
Other Salaries		36,116	36,116	36,116	-
Purchased Professional and Technical Services	362	31,000	31,362	31,192	170
Supplies and Materials	17,975	(3,265)	14,710	13,658	1,052
Other Objects	<u>2,575</u>	<u>372</u>	<u>2,947</u>	<u>2,254</u>	<u>693</u>
Total Undistributed Expenditures - Health Services	<u>545,233</u>	<u>35,755</u>	<u>580,988</u>	<u>579,073</u>	<u>1,915</u>
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	549,185	-	549,185	549,005	180
Purchased Professional - Educational Services	141,840	13,326	155,166	155,166	-
Supplies and Materials	<u>6,650</u>	<u>201</u>	<u>6,851</u>	<u>6,683</u>	<u>168</u>
Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services	<u>697,675</u>	<u>13,527</u>	<u>711,202</u>	<u>710,854</u>	<u>348</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

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 - Other Support Services - Students - Extraordinary:					
Other Salaries from Instruction	\$ 1,343,100	\$ 261,523	\$ 1,604,623	\$ 1,604,623	-
Purchased Professional - Educational Services	634,706	7,476	642,182	642,182	-
Supplies and Materials	18,000	(12,454)	5,546	5,546	-
	<u>1,995,806</u>	<u>256,545</u>	<u>2,252,351</u>	<u>2,252,351</u>	<u>-</u>
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary					
Undistributed Expenditures - Other Support Services - Guidance:					
Salaries of Other Professional Staff	850,150	(61,294)	788,856	788,046	810
Salaries of Secretarial and Clerical Assistants	109,078	(15,051)	94,027	94,027	-
Supplies and Materials	6,062	7,492	13,554	10,431	3,123
Other Objects	1,530	4,450	5,980	2,674	3,306
	<u>966,820</u>	<u>(64,403)</u>	<u>902,417</u>	<u>895,178</u>	<u>7,239</u>
Total Undistributed Expenditures - Other Support Services - Guidance					
Undistributed Expenditures - Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	852,505	(4,600)	847,905	847,387	518
Salaries of Secretarial and Clerical Assistants	88,024	(892)	87,132	87,132	-
Other Salaries	203,784	71,970	275,754	275,754	-
Other Professional/Tech Services	25,159	(2,759)	22,400	22,240	160
Travel	4,575	-	4,575	2,824	1,751
Supplies and Materials	25,300	7,227	32,527	28,477	4,050
Other Objects	<u>3,174</u>	<u>3,174</u>	<u>3,174</u>	<u>3,174</u>	<u>3,174</u>
Total Undistributed Expenditures - Other Support Services - Child Study Teams	<u>1,199,347</u>	<u>74,120</u>	<u>1,273,467</u>	<u>1,263,814</u>	<u>9,653</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 273,464	\$ (104,357)	\$ 169,107	\$ 169,107	
Salaries of Secretarial and Clerical Assistants	60,825	200	61,025	61,025	\$ -
Total Undistributed Expenditures - Improvement of Instruction Services	<u>334,289</u>	<u>(104,157)</u>	<u>230,132</u>	<u>230,132</u>	<u>-</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	404,296	(192,056)	212,240	212,240	-
Salaries of Secreterial and Clerical Assistance		33,527	33,527	33,527	-
Salaries of Technology Coordinators	193,145	(44,680)	148,465	148,465	-
Library Media Services		4,452	4,452	4,452	-
Other Purchased Services	3,634	5,503	9,137	9,081	56
Supplies and Materials	54,970	(20,416)	34,554	33,447	1,107
Other Objects	200	(200)			-
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>656,245</u>	<u>(213,870)</u>	<u>442,375</u>	<u>441,212</u>	<u>1,163</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	140,048	41,569	181,617	160,189	21,428
Salaries of Secretarial and Clerical Assistance	26,068		26,068	26,068	-
Other Salaries	75,720	13,452	89,172	81,239	7,933
Purchased Professional-Education services	6,747	7,986	14,733	14,733	-
Other Purchased Services	38,225	1,425	39,650	29,730	9,920
Total Undistributed Expenditures - Instructional Staff Training Services	<u>286,808</u>	<u>64,432</u>	<u>351,240</u>	<u>311,959</u>	<u>39,281</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

	<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 - Support Services - General Administration:					
Salaries					
Salaries of Other Professional Staff	\$ 426,566	\$ (113,789)	\$ 312,777	\$ 312,777	
Salaries of Secretarial and Clerical Assistance		107,794	107,794	107,794	
Legal Services	120,000	102,643	222,643	197,355	\$ 25,288
Audit Fees	38,000	1,000	39,000	39,000	
Architect/Engineer Fees		69,590	69,590	69,590	
Other Purchased Professional Services	4,500	(460)	4,040	4,040	
Purchased Technical Services	4,500	(4,500)			
Communications / Telephone	106,500	(56,792)	49,708	49,427	281
Travel		2,983	2,983	2,968	15
BOE Other Purch. Serv	3,500	(1,708)	1,792	1,785	7
Misc Other Purchased Services	160,582	26,056	186,638	164,753	21,885
General Supplies	8,000	1,643	9,643	9,286	357
Miscellaneous Expenditures	5,400	6,140	11,540	8,618	2,922
BOE Membership Dues and Fees	26,000	(300)	25,700	25,546	154
Total Undistributed Expenditures - Support Services - General Admin	<u>903,548</u>	<u>140,300</u>	<u>1,043,848</u>	<u>992,939</u>	<u>50,909</u>
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals / Program Directors	1,962,520	(77,773)	1,884,747	1,832,104	52,643
Salaries of Secretarial and Clerical Assistants	766,451	-	766,451	725,773	40,678
Other Purchased Services (400-500 series)	25,872	25,640	51,512	43,767	7,745
Travel		2,302	2,302	1,086	1,216
General Supplies	38,791	4,262	43,053	40,114	2,939
Other Objects	51,195	(328)	50,867	36,864	14,003
Total Undistributed Expenditures - Support Services - School Admin.	<u>2,844,829</u>	<u>(45,897)</u>	<u>2,798,932</u>	<u>2,679,708</u>	<u>119,224</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Central Services:					
Salaries of Other Professional Staff	\$ 494,977	\$ (266,003)	\$ 228,974	\$ 228,974	
Salaries of Secreterial and Clerical Assistants		260,487	260,487	257,805	\$ 2,682
Purchased Professional Services	95,000	(17,000)	78,000	71,500	6,500
Public Relations		18,000	18,000	18,000	-
Purchased Technical Services	14,064	1,368	15,432	15,432	-
Travel		4,989	4,989	4,386	603
Miscellaneous Purchased Services	37,715	(6,686)	31,029	30,746	283
General Supplies	27,000	2,714	29,714	28,454	1,260
Miscellaneous Expenditures	2,370	8,131	10,501	10,501	-
Total Undistributed Expenditures - Central Services	<u>671,126</u>	<u>6,000</u>	<u>677,126</u>	<u>665,798</u>	<u>11,328</u>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries of Other Professional Staff	189,405	(56,920)	132,485	119,699	12,786
Salaries of Secreterial and Clerical Assistants	100,852	22,223	123,075	123,075	-
Other Salaries	23,060	4,461	27,521	27,521	-
Purchased Technical Services	197,850	122,841	320,691	320,691	-
Other Purchased Services	84,600	(21,061)	63,539	63,539	-
General Supplies	178,465	5,037	183,502	183,419	83
Other Objects	5,000	(2,037)	2,963	1,432	1,531
Total Undistributed Expenditures - Admin. Info. Technology	<u>779,232</u>	<u>74,544</u>	<u>853,776</u>	<u>839,376</u>	<u>14400</u>
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Salaries	177,563	11,685	189,248	189,248	-
Cleaning, Repair and Maintenance Services	74,000	(34,538)	39,462	36,963	2,499
General Supplies	17,500	(257)	17,243	17,233	10
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>269,063</u>	<u>(23,110)</u>	<u>245,953</u>	<u>243,444</u>	<u>2,509</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Operation and Maintenance: of Plant Services:					
Salaries of Other Professional Staff	\$ 155,123	\$ (1,366)	\$ 153,757	\$ 141,613	\$ 12,144
Salaries of Secreterial and Clerical Assistants	35,386	2,700	38,086	38,086	-
Salaries of Non-Instructional Aides	253,121	8,835	261,956	261,956	-
Other Salaries	2,348,476	178,458	2,526,934	2,506,316	20,618
Cleaning, Repair and Maintenance Services	282,330	2,574	284,904	279,554	5,350
Other Purchased Property Services	72,000	3,683	75,683	75,683	-
Insurance	175,304		175,304	174,852	452
General Supplies	299,600	(1,787)	297,813	277,688	20,125
Energy (Natural Gas and Electricity)	1,000,000	13,695	1,013,695	1,013,532	163
Other Objects	4,000	1,200	5,200	5,117	83
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>4,625,340</u>	<u>207,992</u>	<u>4,833,332</u>	<u>4,774,397</u>	<u>58,935</u>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	477,880	(62,202)	415,678	415,678	-
Cleaning, Repair, and Maintenance Services		5,333	5,333	5,333	-
General Supplies	86,700	(20,886)	65,814	65,813	1
Total Undistributed Expenditures - Care & Upkeep Grounds	<u>564,580</u>	<u>(77,755)</u>	<u>486,825</u>	<u>486,824</u>	<u>1</u>
Undistributed Expenditures - Security Services:					
Cleaning, Repair, and Maintenance Services	230,000	31,348	261,348	261,348	-
General Supplies	150,000	95,076	245,076	245,075	1
Total Undistributed Expenditures - Security Services	<u>380,000</u>	<u>126,424</u>	<u>506,424</u>	<u>506,423</u>	<u>1</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

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	\$ 161,450	\$ (1)	\$ 161,449	\$ 161,449	
Salaries of Secreterial and Clerical Assistants	78,941	(1)	78,940	78,940	
Salaries for Non-Instructional Aides	200,000	87,872	287,872	287,872	
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,236,000	(258,881)	977,119	958,708	\$ 18,411
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	250,056	19,700	269,756	269,756	-
Sal for Pupil Trans (Other than Bet. Home & Sch)	92,906	236,915	329,821	329,821	-
Transportation Software		47,611	47,611	47,611	-
Cleaning, Repair and Maintenance Services	55,000	40,950	95,950	95,950	-
Lease Purchase Payments	101,846	39,795	141,641	141,641	-
Contracted Services - Aid in Lieu of Payments - NonPub Sch	175,000	(20,554)	154,446	154,446	-
Contracted Services - (Between Home and School) - Vendors	450,000	(2,094)	447,906	423,157	24,749
Contracted Services - (Other than Bet Home & Sch) - Vendors	52,000	(27,106)	24,894	24,894	-
Contracted Services - (Special Education) - Joint Agreement	600,000	128,204	728,204	728,204	-
Miscellaneous Purchased Services - Transportation	84,547	(42,161)	42,386	42,386	-
General Supplies		445	445	445	-
Transportation Supplies	450,000	(118,350)	331,650	327,865	3,785
Fuel Cost Supported by Bus Ads	2,415	-	2,415	2,415	-
Interest Payments	9,385	(8,213)	1,172	1,172	-
Miscellaneous Expenditures	9,850	239	10,089	10,059	30
Total Undistributed Expenditures - Student Transportation Services	<u>4,009,396</u>	<u>124,370</u>	<u>4,133,766</u>	<u>4,086,791</u>	<u>46,975</u>

(Continued)



**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 895,000	\$ 77,284	\$ 972,284	\$ 968,267	\$ 4,017
Other Retirement Contributions - PERS	1,319,476	(106,828)	1,212,648	1,196,148	16,500
Workman's Compensation	406,440	(1,047)	405,393	405,393	-
Health Benefits	8,414,149	(411,014)	8,003,135	7,872,440	130,695
Tuition Reimbursement	40,000	(22,046)	17,954	17,954	-
Other Employee Benefits	154,634	(100,000)	54,634	47,234	7,400
Sick Time Payout Normal Retiree		96,944	96,944	16,944	80,000
Total Unallocated Benefits	<u>11,229,699</u>	<u>(466,707)</u>	<u>10,762,992</u>	<u>10,524,380</u>	<u>238,612</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				2,051,483	(2,051,483)
On-behalf T.P.A.F. Non contributory Insurance (non-budgeted)				102,192	(102,192)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,106,028	(2,106,028)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,564,432	(2,564,432)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,824,135</u>	<u>(6,824,135)</u>
Total Undistributed Expenditures	<u>36,406,798</u>	<u>164,430</u>	<u>36,571,228</u>	<u>42,792,728</u>	<u>(6,221,500)</u>
Total Current Expense	<u>64,434,625</u>	<u>(17,428)</u>	<u>64,417,197</u>	<u>70,343,989</u>	<u>(5,926,792)</u>
Capital Outlay:					
Interest Deposit to Capital Reserve	1	(1)			
Equipment:					
Grades 1-5	32,179	(10,397)	21,782	20,022	1,760
Grades 6-8	12,500	7,200	19,700	10,200	9,500
Grades 9-12	80,975	(9,500)	71,475	43,356	28,119
Undistributed Expenditures:					
Transportation		25,697	25,697		25,697
School Admin	13,000	(13,000)			-
Admin Info Tech	32,000	17,880	49,880	48,368	1,512
Custodial Services	21,000	31,735	52,735	44,102	8,633
Total Equipment	<u>191,654</u>	<u>49,615</u>	<u>241,269</u>	<u>166,048</u>	<u>75,221</u>

(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2016

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional / Technical Services		\$ 129,080	\$ 129,080	\$ 112,320	\$ 16,760
Assesment for Debt Service on SDA Funding	\$ 147,841	-	147,841	147,841	-
Construction Services	760,000	(75,133)	684,867	498,364	186,503
Supplies and Materials	150,000	41,093	191,093	114,558	76,535
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,057,841</b>	<b>95,040</b>	<b>1,152,881</b>	<b>873,083</b>	<b>279,798</b>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Student Transportation -- Equipment				650,558	(650,558)
<b>Total - Assets Acquired Under Capital Leases (Non-Budgeted):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650,558</b>	<b>(650,558)</b>
<b>Total Capital Outlay</b>	<b>1,249,496</b>	<b>144,654</b>	<b>1,394,150</b>	<b>1,689,689</b>	<b>(295,539)</b>
Other Special Schools - Instruction:					
Salaries of Teachers	25,920	(1,683)	24,237	21,080	3,157
Other Salaries for Instruction	14,400	-	14,400	12,280	2,120
General Supplies	6,000	-	6,000	2,686	3,314
<b>Total Other Special Schools - Instruction</b>	<b>46,320</b>	<b>(1,683)</b>	<b>44,637</b>	<b>36,046</b>	<b>8,591</b>
Other Special Schools - Support Services:					
Salaries	53,280	(35,370)	17,910	17,910	-
Salaries of Principal and Assistant		29,853	29,853	29,853	-
Salaries of Secreterial and Clerical Assistant		7,200	7,200	6,745	455
<b>Total Other Special Schools - Support Services</b>	<b>53,280</b>	<b>1,683</b>	<b>54,963</b>	<b>54,508</b>	<b>455</b>
<b>Total Special Schools</b>	<b>99,600</b>	<b>-</b>	<b>99,600</b>	<b>90,554</b>	<b>9,046</b>
Transfer of Funds to Charter Schools	57,574	82,184	139,758	139,758	-
<b>Total Expenditures</b>	<b>65,841,296</b>	<b>209,409</b>	<b>66,050,705</b>	<b>72,263,990</b>	<b>(6,213,285)</b>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,422,007)	\$ (206,994)	\$ (3,629,001)	\$ (2,504,489)	\$ 1,124,512
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund - Regular	(249,561)	-	(249,561)	(249,561)	-
Assets Acquired Under Capital Leases				650,558	(650,558)
Total Other Financing Sources (Uses)	(249,561)	-	(249,561)	400,997	(650,558)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,671,568)	(206,994)	(3,878,562)	(2,103,492)	1,775,070
Fund Balances, July 1	5,882,109	(1,226,524)	4,655,585	8,535,845	3,880,260
Fund Balances, June 30	\$ 2,210,541	\$ (1,433,518)	\$ 777,023	\$ 6,432,353	\$ 5,655,330
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 1,752,088	
Excess Surplus - Current Year				696,369	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,502,636	
Assigned:					
Year-End Encumbrances				505,955	
Designated for Subsequent Year's Expenditures				578,325	
Unassigned				1,396,980	
				6,432,353	
Reconciliation to Governmental Funds Statements(GAAP):					
Last 15-16 State Aid Payment Not Recognized on GAAP Basis				(2,133,845)	
Fund Balance Per Governmental Funds (GAAP)				\$ 4,298,508	

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Grants	<u>                    </u>	\$ 7,347	\$ 7,347	\$ 4,070	\$ (3,277)
Total - Local Sources	<u>                    </u>	<u>7,347</u>	<u>7,347</u>	<u>4,070</u>	<u>(3,277)</u>
State Sources:					
NJ Non-Public Nursing	\$ 11,734	1,856	13,590	13,590	-
NJ Non-Public Textbook Aid	8,337	171	8,508	8,340	(168)
NJ Non-Public Technology	3,040	834	3,874	3,789	(85)
NJ Non-Public Home Instruction		7,062	7,062	8,534	1,472
NJ Non-Public Security		3,775	3,775	3,700	(75)
Chapter 192 - Auxiliary Services	63,747	(17,045)	46,702	34,761	(11,941)
Chapter 193 - Handicapped Services	46,990	32,726	79,716	59,358	(20,358)
Preschool Education Aid	801,398		801,398	801,398	-
Total - State Sources	<u>935,246</u>	<u>29,379</u>	<u>964,625</u>	<u>933,470</u>	<u>(31,155)</u>
Federal Sources:					
Title I, Part A	437,451	170,621	608,072	536,491	(71,581)
Title IIA, Part A	100,064	5,878	105,942	93,753	(12,189)
Title III	20,975	(617)	20,358	12,021	(8,337)
Title III Immigrant		14,087	14,087		(14,087)
ROTC		86,624	86,624	86,231	(393)
I.D.E.A., Part B	963,089	228,188	1,191,277	1,185,278	(5,999)
I.D.E.A., Part B, Preschool Incentive	35,113	22	35,135	34,625	(510)
CDC HIV/Pregnancy		9,139	9,139	6,368	(2,771)
Total - Federal Sources	<u>1,556,692</u>	<u>513,942</u>	<u>2,070,634</u>	<u>1,954,767</u>	<u>(115,867)</u>
Total Revenues	<u>2,491,938</u>	<u>550,668</u>	<u>3,042,606</u>	<u>2,892,307</u>	<u>(150,299)</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 885,334	\$ 16,643	\$ 901,977	\$ 901,977	
Other Salaries for Instruction	206,010	17,348	223,358	223,358	
Purchased Professional and Technical Services	222,722	(71,062)	151,660	120,255	\$ 31,405
Other Purchased Services	3,700	(2,335)	1,365	1,285	80
General Supplies	8,835	99,317	108,152	69,152	39,000
Tuition	954,279	221,635	1,175,914	1,175,914	-
Other Objects	<u>6,360</u>	<u>6,360</u>	<u>6,360</u>	<u>5,349</u>	<u>1,011</u>
Total Instruction	<u>2,280,880</u>	<u>287,906</u>	<u>2,568,786</u>	<u>2,497,290</u>	<u>71,496</u>
Support Services:					
Salaries Personal Services	202,680	98,238	300,918	252,523	48,395
Personal Services - Employee Benefits	201,083	41,623	242,706	241,602	1,104
Purchased Professional - Educational Services	52,260	14,518	66,778	52,329	14,449
Purchased Technical Services		68,726	68,726	65,667	3,059
Other Purchased Services (400-500 series)		40,963	40,963	30,858	10,105
Supplies and Materials		2,658	2,658	1,467	1,191
Other Objects	<u>4,596</u>	<u>(3,964)</u>	<u>632</u>	<u>132</u>	<u>500</u>
Total Support Services	<u>460,619</u>	<u>262,762</u>	<u>723,381</u>	<u>644,578</u>	<u>78,803</u>
Total Expenditures	<u>2,741,499</u>	<u>550,668</u>	<u>3,292,167</u>	<u>3,141,868</u>	<u>150,299</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	<u>249,561</u>		<u>249,561</u>	<u>249,561</u>	
Total Outflows	<u>2,491,938</u>	<u>550,668</u>	<u>3,042,606</u>	<u>2,892,307</u>	<u>150,299</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, 2016

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	\$ 69,759,501	\$ 2,892,307
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		(3,707)
Prior Year		92,056
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)	2,127,171	83,332
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>(2,133,845)</u>	<u>(70,620)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 69,752,827</u>	<u>\$ 2,993,368</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 72,263,990	\$ 3,141,868
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		(3,707)
Prior Year		92,056
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 72,263,990</u>	<u>\$ 3,230,217</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**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 Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1357273274%	0.1306388697%	0.1271431943%
School District's Proportionate Share of the Net Pension Liability	\$ 30,468,065	\$ 24,459,169	\$ 24,299,591
School District's Covered Payroll (Plan Measurement Period)	\$ 9,323,724	\$ 9,804,780	\$ 9,473,252
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	326.78%	249.46%	256.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	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 Three Fiscal Years

	<b>Fiscal Year Ended June 30,</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 1,264,072	\$ 1,166,891	\$ 1,076,968
Contributions in Relation to the Contractually Required Contribution	<u>(1,264,072)</u>	<u>(1,166,891)</u>	<u>(1,076,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 9,815,164	\$ 9,365,869	\$ 8,833,369
Contributions as a Percentage of School District's Covered Payroll	12.88%	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 Three Fiscal Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	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>	<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>166,634,271</u>	<u>150,528,448</u>	<u>139,598,239</u>
	<u>\$ 166,634,271</u>	<u>\$ 150,528,448</u>	<u>\$ 139,598,239</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 31,988,592	\$ 31,137,396	\$ 32,299,932
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	520.92%	483.43%	432.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	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

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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, 2016

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**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015, 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 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015, 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, 2016

	Total	Local Grants	Chapter 192		Chapter 193			Total Carried Forward
			Nonpublic Compensatory Education	Nonpublic Transportation	Nonpublic Examination and Classification	Nonpublic Corrective Speech	Nonpublic Supplementary Instruction	
<b>REVENUES:</b>								
Federal Sources	\$ 1,954,767							\$ 1,954,767
State Sources	933,470		\$ 29,356	\$ 5,405	\$ 23,015	\$ 20,231	\$ 16,112	839,351
Local Sources	4,070	\$ 4,070						-
<b>Total Revenues</b>	<b>\$ 2,892,307</b>	<b>\$ 4,070</b>	<b>\$ 29,356</b>	<b>\$ 5,405</b>	<b>\$ 23,015</b>	<b>\$ 20,231</b>	<b>\$ 16,112</b>	<b>\$ 2,794,118</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ 901,977							\$ 901,977
Other Salaries for Instruction	223,358							223,358
Purchased Professional and Technical Services	120,255		\$ 29,356	\$ 5,405	\$ 23,015	\$ 20,231	\$ 16,112	26,136
Other Purchased Services	1,285	1,265						20
General Supplies	69,152	2,805						66,347
Tuition	1,175,914							1,175,914
Other Objects	5,349							5,349
<b>Total Instruction</b>	<b>2,497,290</b>	<b>4,070</b>	<b>29,356</b>	<b>5,405</b>	<b>23,015</b>	<b>20,231</b>	<b>16,112</b>	<b>2,399,101</b>
<b>Support Services:</b>								
Salaries Personal Services	252,523							252,523
Personal Services - Employee Benefits	241,602							241,602
Purchased Professional - Educational Services	52,329							52,329
Purchased Technical Services	65,667							65,667
Other Purchased Services (400-500 series)	30,858							30,858
Supplies and Materials	1,467							1,467
Other Objects	132							132
<b>Total Support Services</b>	<b>644,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644,578</b>
<b>Total Expenditures</b>	<b>3,141,868</b>	<b>4,070</b>	<b>29,356</b>	<b>5,405</b>	<b>23,015</b>	<b>20,231</b>	<b>16,112</b>	<b>3,043,679</b>
<b>Other Financing Sources (Uses):</b>								
Transfer from Operating Budget - Pre K	249,561							249,561
<b>Total Outflows</b>	<b>2,892,307</b>	<b>4,070</b>	<b>29,356</b>	<b>5,405</b>	<b>23,015</b>	<b>20,231</b>	<b>16,112</b>	<b>2,794,118</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2016

	Total Carried Forward	Nonpublic Home Instruction	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Nursing	Nonpublic Security	Preschool Education Aid	Title I Part A	Total Brought Forward
<b>REVENUES:</b>									
Federal Sources	\$ 1,954,767							\$ 536,491	\$ 1,418,276
State Sources	839,351	\$ 8,534	\$ 8,340	\$ 3,789	\$ 13,590	3,700	\$ 801,398		-
Local Sources	-								-
<b>Total Revenues</b>	<b>\$ 2,794,118</b>	<b>\$ 8,534</b>	<b>\$ 8,340</b>	<b>\$ 3,789</b>	<b>\$ 13,590</b>	<b>\$ 3,700</b>	<b>\$ 801,398</b>	<b>\$ 536,491</b>	<b>\$ 1,418,276</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	\$ 901,977						\$ 459,965	\$ 363,745	\$ 78,267
Other Salaries for Instruction	223,358						223,358		
Purchased Professional and Technical Services	26,136	\$ 8,534			\$ 13,590		3,878		134
Other Purchased Services	20								20
General Supplies	66,347			\$ 3,789		3,700	20,326	26,223	12,309
Tuition	1,175,914								1,175,914
Other Objects	5,349								5,349
<b>Total Instruction</b>	<b>2,399,101</b>	<b>8,534</b>	<b>-</b>	<b>3,789</b>	<b>13,590</b>	<b>3,700</b>	<b>707,527</b>	<b>389,968</b>	<b>1,271,993</b>
<b>Support Services:</b>									
Salaries Personal Services	252,523						191,536	56,364	4,623
Personal Services - Employee Benefits	241,602						151,138	90,159	305
Purchased Professional - Educational Services	52,329		\$ 8,340						43,989
Purchased Technical Services	65,667								65,667
Other Purchased Services (400-500 series)	30,858								30,858
Supplies and Materials	1,467						758		709
Other Objects	132								132
<b>Total Support Services</b>	<b>644,578</b>	<b>-</b>	<b>8,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343,432</b>	<b>146,523</b>	<b>146,283</b>
<b>Total Expenditures</b>	<b>3,043,679</b>	<b>8,534</b>	<b>8,340</b>	<b>3,789</b>	<b>13,590</b>	<b>3,700</b>	<b>1,050,959</b>	<b>536,491</b>	<b>1,418,276</b>
<b>Other Financing Sources (Uses):</b>									
Transfer from Operating Budget - Pre K	249,561						249,561		
<b>Total Outflows</b>	<b>2,794,118</b>	<b>8,534</b>	<b>8,340</b>	<b>3,789</b>	<b>13,590</b>	<b>3,700</b>	<b>801,398</b>	<b>536,491</b>	<b>1,418,276</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2016

	Total Carried Forward	Title II Part A	Title III	NJROTC	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	CDC HIV Teen Pregnancy
<b>REVENUES:</b>							
Federal Sources	\$ 1,418,276	\$ 93,753	\$ 12,021	\$ 86,231	\$ 1,185,278	\$ 34,625	\$ 6,368
State Sources	-						
Local Sources	-						
<b>Total Revenues</b>	<u>\$ 1,418,276</u>	<u>\$ 93,753</u>	<u>\$ 12,021</u>	<u>\$ 86,231</u>	<u>\$ 1,185,278</u>	<u>\$ 34,625</u>	<u>\$ 6,368</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	\$ 78,267			\$ 78,267			
Other Salaries for Instruction							
Purchased Professional and Technical Services	134		\$ 134				
Other Purchased Services	20						\$ 20
General Supplies	12,309		9,694	2,615			
Tuition	1,175,914				\$ 1,141,289	\$ 34,625	
Other Objects	5,349			5,349			
<b>Total Instruction</b>	<u>1,271,993</u>	<u>-</u>	<u>9,828</u>	<u>86,231</u>	<u>1,141,289</u>	<u>34,625</u>	<u>20</u>
<b>Support Services:</b>							
Salaries Personal Services	4,623		828				3,795
Personal Services - Employee Benefits	305		15				290
Purchased Professional - Educational Services	43,989				\$ 43,989		
Purchased Technical Services	65,667	\$ 64,167					1,500
Other Purchased Services (400-500 series)	30,858	29,586	1,218				54
Supplies and Materials	709						709
Other Objects	132		132				
<b>Total Support Services</b>	<u>146,283</u>	<u>93,753</u>	<u>2,193</u>	<u>-</u>	<u>43,989</u>		<u>6,348</u>
<b>Total Expenditures</b>	<u>1,418,276</u>	<u>93,753</u>	<u>12,021</u>	<u>86,231</u>	<u>1,185,278</u>	<u>34,625.00</u>	<u>6,368</u>
<b>Other Financing Sources (Uses):</b>							
Transfer from Operating Budget - Pre K							
<b>Total Outflows</b>	<u>1,418,276</u>	<u>93,753</u>	<u>12,021</u>	<u>86,231</u>	<u>1,185,278</u>	<u>34,625</u>	<u>6,368</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Special Revenue Fund  
Preschool Education Aid Schedule - Budgetary Basis  
Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction			
Salaries of Teachers	\$ 459,965	\$ 459,965	
Other Salaries for Instruction	223,358	223,358	
Purchased Professional and Technical Services	3,878	3,878	
Supplies	<u>20,326</u>	<u>20,326</u>	
Total Instruction	<u>707,527</u>	<u>707,527</u>	-
Support services			
Salaries Personal Services	191,536	191,536	
Personal Services - Employee Benefits	151,138	151,138	
Supplies	<u>758</u>	<u>758</u>	
Total Support Services	<u>343,432</u>	<u>343,432</u>	-
Total Expenditures	<u>\$ 1,050,959</u>	<u>\$ 1,050,959</u>	<u>\$ -</u>

**Calculation of Budget and Carryover**

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 706,200
Add: Actual ECPA Carryover (June 30, 2015)	95,198
Add: Actual Transfer from General Fund 2015-2016	<u>249,561</u>
Total Preschool Education Aid Funds Available for 2015-14 Budget	1,050,959
Less: 2015-16 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(1,050,959)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	-
Add: 2015-16 Unexpended Preschool Education Aid	<u>-</u>
2015-16 Preschool Education Aid Actual Carryover	<u>\$ -</u>

**PROPRIETARY FUNDS**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Proprietary Fund  
 Statement of Net Position  
 June 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 472,772
Accounts Receivable:	
State	852
Federal	51,193
Other	109,202
Inventories	18,274
Total Current Assets	652,293
Noncurrent Assets:	
Furniture, Machinery and Equipment	661,159
Less Accumulated Depreciation	(475,758)
Total Noncurrent Assets	185,401
Total Assets	837,694
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Payable	602,605
Accounts Payable	190,144
Compensated Absences Payable	11,096
Total Current Liabilities	803,845
Noncurrent Liabilities:	
Compensated Absences Payable	28,348
Total Liabilities	832,193
<b>NET POSITION:</b>	
Net Investment In Capital Assets	185,401
Unrestricted	(179,900)
Total Net Position	\$ 5,501

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 355,523
Daily Sales - Non-Reimbursable Programs	260,092
Special Functions	<u>11,509</u>
Total Operating Revenues	<u>627,124</u>
OPERATING EXPENSES:	
Salaries	781,779
Employee Benefits	132,174
Supplies and Materials	72,080
Cost of Sales - Reimbursable Programs	553,879
Cost of Sales - Non-Reimbursable Programs	110,312
Purchased Professional Services	10,015
Other Purchased Services	3,068
Dues and Subscriptions	100
Office and Uniform Expense	12,443
Equipment	10,470
Repairs and Maintenance	14,440
Bank Charges	15,840
Insurance and Fees	21,558
Depreciation	<u>26,880</u>
Total Operating Expenses	<u>1,765,038</u>
Operating Income / (Loss)	<u>(1,137,914)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	15,638
Federal Sources:	
National School Lunch Program	645,728
National School Breakfast Program	222,772
Healthy Hunger Free Kids Program	18,915
Special Milk Program	4,911
Food Distribution Program	<u>100,225</u>
Total Nonoperating Revenues	<u>1,008,189</u>
Change in Net Position	(129,725)
Net Position -- July 1	<u>135,226</u>
Net Position -- June 30	<u>\$ 5,501</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 666,601
Payments to Employees	(789,284)
Payments for Employee Benefits	(132,174)
Payments to Suppliers	<u>(328,895)</u>
Net Cash Provided by (used for) Operating Activities	<u>(583,752)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from State and Federal Reimbursements	<u>921,277</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>921,277</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	<u>(149,358)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(149,358)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	188,167
Cash and Cash Equivalents -- July 1	<u>284,605</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 472,772</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For)</b>	
Operating Activities:	
Operating Income (Loss)	\$ (1,137,914)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	26,880
Federal Commodities	100,225
(Increase) Decrease in Inventories	2,641
(Increase) Decrease in Other Current Receivables	39,477
Increase (Decrease) in Other Current Liabilities	392,444
Increase (Decrease) in Compensated Absences Payable	<u>(7,505)</u>
Total Adjustments	<u>554,162</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (583,752)</u></u>

**FIDUCIARY FUNDS**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2016

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>		
	New Jersey Unemployment Compensation <u>Trust</u>	Scholarship <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 690,428	\$ 60,420	\$ 245,816	\$ 1,249,337	\$ 2,246,001
Total Assets	<u>690,428</u>	<u>60,420</u>	<u>\$ 245,816</u>	<u>\$ 1,249,337</u>	<u>\$ 2,246,001</u>
<b>LIABILITIES:</b>					
Net Payroll - Summer Salary Payable to Student Groups			\$ 245,816	\$ 1,249,337	\$ 1,249,337
Total Liabilities			<u>\$ 245,816</u>	<u>\$ 1,249,337</u>	<u>\$ 1,495,153</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purpose	\$ 690,428	\$ 60,420			\$ 750,848
Total Net Position	<u>\$ 690,428</u>	<u>\$ 60,420</u>			<u>\$ 2,246,001</u>



**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust Funds		
	New Jersey Unemployment Compensation Trust	Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 224,625		\$ 224,625
Gifts and Contributions		\$ 6,000	6,000
	<u>224,625</u>	<u>6,000</u>	<u>230,625</u>
Investment Earnings:			
Interest on Investments	1,292		1,292
Net Investment Earnings	<u>1,292</u>	<u>-</u>	<u>1,292</u>
Total Additions	<u>225,917</u>	<u>6,000</u>	<u>231,917</u>
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	192,203		192,203
Scholarships Awarded		2,500	2,500
Total Deductions	<u>192,203</u>	<u>2,500</u>	<u>194,703</u>
Change in Net Position	33,714	3,500	37,214
Net Position -- July 1	<u>656,714</u>	<u>56,920</u>	<u>713,634</u>
Net Position -- June 30	<u>\$ 690,428</u>	<u>\$ 60,420</u>	<u>\$ 750,848</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Total All Schools	<u>\$ 266,736</u>	<u>\$ 886,467</u>	<u>\$ 907,387</u>	<u>\$ 245,816</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,062,512	\$ 24,944,818	\$ 24,757,993	\$ 1,249,337
Total Assets	<u>\$ 1,062,512</u>	<u>\$ 24,944,818</u>	<u>\$ 24,757,993</u>	<u>\$ 1,249,337</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 1,062,512	\$ 24,944,818	\$ 24,757,993	\$ 1,249,337
Total Liabilities	<u>\$ 1,062,512</u>	<u>\$ 24,944,818</u>	<u>\$ 24,757,993</u>	<u>\$ 1,249,337</u>

**LONG-TERM DEBT**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding of Bonds 2002	2/16/06	\$ 10,000,000	2/1/17	\$ 1,140,000	4.000%	\$ 8,595,000		\$ 8,595,000	
			2/1/18	1,185,000	4.000%				
			2/1/19	1,225,000	4.000%				
			2/1/20	1,275,000	4.000%				
			2/1/21	1,325,000	4.000%				
			2/1/22	1,345,000	4.000%				
Refunding of Bonds 2016	3/23/16	\$ 7,490,000	2/1/17	1,210,000	2.000%		\$ 7,490,000		\$ 7,490,000
			2/1/18	1,210,000	2.000%				
			2/1/19	1,230,000	3.000%				
			2/1/20	1,265,000	2.000%				
			2/1/21	1,290,000	2.000%				
			2/1/22	1,285,000	2.000%				
						<u>\$ 8,595,000</u>	<u>\$ 7,490,000</u>	<u>\$ 8,595,000</u>	<u>\$ 7,490,000</u>
							Refunded Debt	\$ 7,495,000	
							Principal Payments	<u>1,100,000</u>	
								<u>\$ 8,595,000</u>	

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2016

<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, 2015 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
School Bus Radios	4/1/13	5 Years	\$ 114,726	\$ 5,787	2.52%	\$ 46,449	\$ -	\$ 22,935	\$ 23,514
School Buses	7/15/15	5 Years	445,617	15,205	1.65%		460,822	95,205	365,617
Network Switches	7/15/15	3 Years	187,206	2,530	1.34%		189,736	64,089	125,647
						<u>\$ 46,449</u>	<u>\$ 650,558</u>	<u>\$ 182,229</u>	<u>\$ 514,778</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, 2016

	<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	\$ 1,443,800		\$ 1,443,800	\$ 1,443,800	
Miscellaneous				9,269	\$ 9,269
Total Revenues	<u>1,443,800</u>	<u>-</u>	<u>1,443,800</u>	<u>1,453,069</u>	<u>9,269</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	343,800		343,800	343,800	
Redemption of Principal	1,100,000		1,100,000	1,100,000	
Total Regular Debt Service	<u>1,443,800</u>		<u>1,443,800</u>	<u>1,443,800</u>	
Total Expenditures	<u>1,443,800</u>		<u>1,443,800</u>	<u>1,443,800</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures				9,269	9,269
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,269</u>	<u>\$ 9,269</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>2016</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>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 20,818,783	\$ 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
Restricted	3,960,362	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
Unrestricted	<u>(27,681,005)</u>	<u>(27,393,758)</u>	<u>(2,904,415)</u>	<u>(1,895,817)</u>	<u>(2,834,474)</u>	<u>(1,415,224)</u>	<u>(3,295,015)</u>	<u>(2,477,153)</u>	<u>(2,504,515)</u>	<u>(1,941,676)</u>
<b>Total Governmental Activities Net Position</b>	<b>\$ (2,901,860)</b>	<b>\$ 1,781,449</b>	<b>\$ 27,722,121</b>	<b>\$ 28,211,169</b>	<b>\$ 26,754,828</b>	<b>\$ 26,730,672</b>	<b>\$ 26,563,414</b>	<b>\$ 27,754,052</b>	<b>\$ 25,666,316</b>	<b>\$ 26,749,787</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 185,401	\$ 62,923	\$ 80,380	\$ 85,016	\$ 102,054	\$ 125,610	\$ 151,934	\$ 172,171	\$ 184,662	\$ 192,030
Unrestricted	<u>(179,900)</u>	<u>72,303</u>	<u>82,207</u>	<u>129,837</u>	<u>205,892</u>	<u>253,496</u>	<u>174,738</u>	<u>107,565</u>	<u>100,362</u>	<u>87,071</u>
<b>Total Business-type Activities Net Position</b>	<b>\$ 5,501</b>	<b>\$ 135,226</b>	<b>\$ 162,587</b>	<b>\$ 214,853</b>	<b>\$ 307,946</b>	<b>\$ 379,106</b>	<b>\$ 326,672</b>	<b>\$ 279,736</b>	<b>\$ 285,024</b>	<b>\$ 279,101</b>
<b>Government-wide</b>										
Net Investment in Capital Assets	\$ 21,004,184	\$ 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
Restricted	3,960,362	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
Unrestricted	<u>(27,860,905)</u>	<u>(27,321,455)</u>	<u>(2,822,208)</u>	<u>(1,765,980)</u>	<u>(2,628,582)</u>	<u>(1,161,728)</u>	<u>(3,120,277)</u>	<u>(2,369,588)</u>	<u>(2,404,153)</u>	<u>(1,854,605)</u>
<b>Total Government-wide Net Position</b>	<b>\$ (2,896,359)</b>	<b>\$ 1,916,675</b>	<b>\$ 27,884,708</b>	<b>\$ 28,426,022</b>	<b>\$ 27,062,774</b>	<b>\$ 27,109,778</b>	<b>\$ 26,890,086</b>	<b>\$ 28,033,788</b>	<b>\$ 25,951,340</b>	<b>\$ 27,028,888</b>

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

	<u>Fiscal Year Ending June 30</u>									
	<u>2016</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>
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 25,405,080	\$ 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
Special Education	4,167,971	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
Other Special Education	1,741,812	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
Support Services:										
Tuition	4,576,912	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
Student & Instruction Related Services	7,641,053	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
General Administrative Services	992,939	1,042,134	906,535	787,983	725,628	851,976	1,043,778	959,160	1,175,881	1,020,087
School Administrative Services	2,889,437	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
Central Services	717,907	662,054					934,993	878,881	869,697	879,328
Administrative Information Technology	905,070	934,583					1,628,658	1,083,446	980,199	900,927
Plant Operations and Maintenance	6,299,320	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
Pupil Transportation	4,086,791	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
Unallocated Benefits	26,717,805	22,724,819								
Transfer to Charter School	139,758	105,349								
Special Schools	90,554									14,205
Payment of Bond Issue Costs	115,069									
Interest on Long-Term Debt	416,030									
		<u>516,141</u>	<u>412,220</u>	<u>746,255</u>	<u>396,350</u>	<u>625,053</u>	<u>664,383</u>	<u>701,415</u>	<u>744,807</u>	<u>940,985</u>
Total Governmental Activities Expenses	<u>86,903,508</u>	<u>79,793,291</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>
Business-type Activities:										
Food Service										
	<u>1,765,038</u>	<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>
Total Business-type Activities Expense	<u>1,765,038</u>	<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>
Total Government-wide Expenses	<u>\$ 88,668,546</u>	<u>\$ 81,372,902</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>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)										
	\$ 452,379	\$ 322,655	\$ 426,709	\$ 487,238	\$ 186,390	\$ 78,651	\$ 184,978	\$ 179,860	\$ 236,957	\$ 403,295
Operating Grants and Contributions	<u>2,993,455</u>	<u>2,735,627</u>	<u>2,760,137</u>	<u>3,349,999</u>	<u>3,018,861</u>	<u>3,746,908</u>	<u>2,999,205</u>	<u>3,128,159</u>	<u>3,946,838</u>	<u>3,955,996</u>
Total Governmental Activities Program Revenues	<u>3,445,834</u>	<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>
Business-type activities:										
Charges for services										
Food Service										
	627,124	590,621	600,241	599,882	644,523	724,486	736,595	811,709	818,395	711,382
Operating Grants and Contributions	<u>1,008,189</u>	<u>953,844</u>	<u>946,905</u>	<u>920,261</u>	<u>893,832</u>	<u>801,814</u>	<u>813,226</u>	<u>687,197</u>	<u>653,312</u>	<u>624,179</u>
Total Business-type Activities Program Revenues	<u>1,635,313</u>	<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>
Total Government-wide Revenues	<u>\$ 5,081,147</u>	<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>
<b>Net (Expense)/Revenue</b>										
Governmental Activities										
	\$ (83,457,674)	\$ (76,735,009)	\$ (66,804,426)	\$ (63,549,267)	\$ (62,455,462)	\$ (61,106,329)	\$ (60,923,668)	\$ (57,219,503)	\$ (58,676,428)	\$ (53,723,031)
Business-type Activities										
	<u>(129,725)</u>	<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>
Total Government-wide Net Expense	<u>\$ (83,587,399)</u>	<u>\$ (76,770,155)</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>

(continued)

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

	<u>Fiscal Year Ending June 30</u>									
	<u>2016</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>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 38,464,482	\$ 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
Taxes Levied for Debt Service	1,443,800	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
Unrestricted Grants and Contributions	38,751,107	36,153,215	28,755,543	28,765,803	27,613,694	25,201,387	25,072,474	26,115,401	24,471,551	22,560,839
Restricted Grants and Contributions					(27,682)	1,214,989				
Restricted for Debt Service										
Investment Earnings	2,528	696	600	772	483		27,986	64,388	219,093	359,965
Miscellaneous Income	112,448	315,337	232,313	106,914	381,402	166,561	254,586	23,853	36,076	96,453
Tuition									(4,142)	
Transfers							(271,805)	271,805	(303,250)	(445,529)
<b>Total Governmental Activities</b>	<u>78,774,365</u>	<u>75,093,928</u>	<u>66,315,378</u>	<u>65,005,608</u>	<u>62,479,618</u>	<u>61,273,587</u>	<u>59,733,030</u>	<u>59,814,482</u>	<u>57,592,990</u>	<u>54,499,394</u>
Business-type Activities:										
Investment Earnings		7,785	3,848	-	-	110	601	429	6,097	4,112
Transfers							271,805	235,438	303,250	445,529
<b>Total Business-type Activities</b>	<u>-</u>	<u>7,785</u>	<u>3,848</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>272,406</u>	<u>235,867</u>	<u>309,347</u>	<u>449,641</u>
<b>Total Government-wide</b>	<u>\$ 78,774,365</u>	<u>\$ 75,101,713</u>	<u>\$ 66,319,226</u>	<u>\$ 65,005,608</u>	<u>\$ 62,479,618</u>	<u>\$ 61,273,697</u>	<u>\$ 60,005,436</u>	<u>\$ 60,050,349</u>	<u>\$ 57,902,337</u>	<u>\$ 54,949,035</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (4,683,309)	\$ (1,641,081)	\$ (489,048)	\$ 1,456,341	\$ 24,156	\$ 167,258	\$ (1,190,638)	\$ 2,594,979	\$ (1,083,438)	\$ 776,363
Business-type Activities	(129,725)	(27,361)	(52,266)	(93,093)	(71,160)	52,434	46,936	(5,288)	5,923	68,998
<b>Total Government-wide</b>	<u>\$ (4,813,034)</u>	<u>\$ (1,668,442)</u>	<u>\$ (541,314)</u>	<u>\$ 1,363,248</u>	<u>\$ (47,004)</u>	<u>\$ 219,692</u>	<u>\$ (1,143,702)</u>	<u>\$ 2,589,691</u>	<u>\$ (1,077,515)</u>	<u>\$ 845,361</u>

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

	Fiscal Year Ending June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted	\$ 3,951,093	\$ 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
Assigned	1,084,280	247,050	202,274	1,192,765	220,586	2,882,581				
Unassigned	<u>(736,865)</u>	<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>
Total General Fund	<u>\$ 4,298,508</u>	<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>
All Other Governmental Funds										
Restricted						\$ 925,092	\$ 1,453,159	\$ 87,954	\$ 51,224	\$ 47,068
Unsigned, Reported in:										
Special Revenue Fund	\$ (70,620)	\$ (83,332)	\$ (88,981)	\$ (101,839)	\$ (73,608)	(81,711)	(86,955)	(71,819)	(148,469)	(121,636)
Capital Projects Fund							134,541	24,767	774,767	813,047
Debt Service Fund	<u>9,269</u>					<u>450,369</u>				
Total All Other Governmental Funds	<u>\$ (61,351)</u>	<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>

(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.

Source: District Records

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Tax Levy	\$ 39,908,282	\$ 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
Tuition Charges	452,379	322,655	426,709	487,238	186,390	78,651	184,978	179,860	236,957	403,295
Interest Earnings	2,528	696	600	772	483		27,986	64,388	219,093	359,965
Miscellaneous	112,448	315,337	232,313	106,914	381,402	166,561	254,586	23,854	36,076	96,453
State Sources	31,605,097	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
Federal Sources	2,113,554	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
Local Sources	5,063	16,013	4,940	1,000	992					
<b>Total Revenue</b>	<b>74,199,351</b>	<b>71,486,722</b>	<b>69,502,224</b>	<b>68,842,845</b>	<b>65,684,869</b>	<b>65,099,146</b>	<b>63,189,017</b>	<b>62,850,697</b>	<b>62,084,177</b>	<b>59,304,214</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	23,415,876	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
Special Education Instruction	3,897,859	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
Other Special Instruction	1,615,383	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
Support Services:										
Tuition	4,576,912	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
Student & Instruction Related Services	7,111,390	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
General Administrative Services	992,939	1,042,134	906,535	787,983	725,628	739,435	793,813	727,632	849,884	750,221
School Administrative Services	2,679,708	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
Central Services	665,798	624,945	539,314	551,880	610,715	608,097	711,080	666,731	628,585	646,700
Administrative Information Technology	839,376	882,199	628,296	714,732	1,067,476	786,706	1,238,625	821,917	708,452	662,585
Plant Operations and Maintenance	6,011,088	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
Pupil Transportation	4,086,791	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
Unallocated Employee Benefits	17,590,117	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
Transfer to Charter School	139,758	105,349								
Special Schools	90,554									14,205
Capital Outlay	1,632,904	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
Capital Projects										
Debt Service:										
Principal	1,100,000	1,050,000	1,010,000	965,000	925,000	885,000	850,000	780,000	998,000	965,000
Interest and Other Charges	606,710	533,641	431,030	474,980	517,090	557,380	596,025	631,905	680,556	709,209
<b>Total Expenditures</b>	<b>77,053,163</b>	<b>72,823,053</b>	<b>68,756,691</b>	<b>65,834,867</b>	<b>66,427,710</b>	<b>65,508,034</b>	<b>64,115,623</b>	<b>60,819,002</b>	<b>62,520,857</b>	<b>58,125,875</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,853,812)	(1,336,331)	745,533	3,007,978	(742,841)	(408,888)	(926,606)	2,031,695	(436,680)	1,178,339
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-budgeted)	650,558		114,746							
Proceeds of Refunding Debt	7,490,000									
Payment to Refunded Debt Escrow Agent	(7,560,777)								(4,142)	
Original Issue Premium	185,846									
Transfers In	249,561	25,205					458,912	750,000		
Transfers Out	(249,561)	(25,205)					(730,717)	(985,438)	(303,250)	(445,529)
<b>Total Other Financing Sources (Uses)</b>	<b>765,627</b>	<b>-</b>	<b>114,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(271,805)</b>	<b>(235,438)</b>	<b>(307,392)</b>	<b>(445,529)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,088,185)</b>	<b>\$ (1,336,331)</b>	<b>\$ 860,279</b>	<b>\$ 3,007,978</b>	<b>\$ (742,841)</b>	<b>\$ (408,888)</b>	<b>\$ (1,198,411)</b>	<b>\$ 1,796,257</b>	<b>\$ (744,072)</b>	<b>\$ 732,810</b>
Debt Service as a Percentage of Noncapital Expenditures	2.3%	2.2%	2.1%	2.2%	2.3%	2.3%	2.3%	2.4%	2.7%	3.0%
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>2016</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>
Interest on Investments							\$ 23,736	\$ 64,388	\$ 219,093	\$ 359,965
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				
Refunds	\$ 28,812	\$ 217,249	\$ 67,283	80,642	167,460	122,883				
Lease Purchase Agreement							210,000			
Miscellaneous	74,961	64,297	98,396	721						
Rentals	836	32,673	33,600	21,279						
Sale of Fixed Assets						6,394				
Sale of Obsolete Equipment						337		3,608		50
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
Transportation	7,839	1,118	28,205							
Advertising Fees - School Buses			4,829							
	<u>\$ 112,448</u>	<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>

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)
2016	\$ 58,007,100	\$ 1,831,117,500	\$ 7,600,800	\$ 433,300	\$ 773,426,700	\$ 18,002,700	\$ 102,577,000	\$ 2,791,165,100	\$ 378,279,900	\$ 6,084,393	\$ 2,797,249,493	\$ 2,692,221,531	1.467
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

(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

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

Year Ended Dec. 31,	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	1.4670	0.048	1.419		0.809	0.599	2.914
2014	1.3701	0.052	1.422		0.805	0.593	2.820
2013	1.3229	0.050	1.373		0.805	0.566	2.744
2012	1.2495	0.051	1.300		0.793	0.586	2.679
2011	1.1973	0.050	1.247		1.057	0.919	3.223
2010	1.9843	0.010	1.927		1.192	0.919	4.038
2009	1.9840	0.010	1.994		1.357	0.947	4.298
2008	1.9800	0.010	1.990		1.210	1.002	4.202
2007	1.9430	0.010	1.953		1.119	0.942	4.014
2006	1.8750	0.097	1.972		1.041	0.929	3.942

(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	2016			2007		
	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.				13,900,000	5	1.02%
RCA/GE				13,000,000	6	0.96%
Deptford Crossing				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	
<b>Total</b>	<b>\$ 226,896,545</b>		<b>13.05%</b>	<b>\$ 224,837,000</b>		<b>13.51%</b>

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>	
2016	\$ 38,464,482	\$ 38,464,482	100.00%	-
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%	-

(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>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (2)</u>
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2016	\$ 7,940,000	N/A	\$ 650,558	N/A	N/A	\$ 8,590,558	N/A	\$ 44,868
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

**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>
2016	\$ 7,940,000	-	\$ 7,940,000	0.28%	\$ 44,868
2015	8,595,000	-	8,595,000	0.31%	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

**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, 2015  
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid With Property Taxes</b>			
Township of Deptford	\$ 17,152,016	100.00%	\$ 17,152,016
Deptford Township MUA	10,256,145	100.00%	10,256,145
<b>Other Debt</b>			
County of Gloucester	242,559,500	10.96%	<u>26,584,521</u>
Subtotal, Overlapping Debt			53,992,682
<b>Deptford Township School District Direct Debt</b>			<u>7,940,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 61,932,682</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.



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

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Equalized valuation basis
2015	\$ 2,792,249,493
2014	3,024,020,222
2013	<u>2,820,098,022</u>
	<u>\$ 8,636,367,737</u>
Average equalized valuation of taxable property	<u>\$ 2,878,789,246</u>
Debt limit ( 4% of average equalization value) (1)	\$ 115,151,570
Total Net Debt Applicable to Limit	<u>7,940,000</u>
Legal Debt Margin	<u>\$ 107,211,570</u>

	Fiscal Year									
	<u>2016</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>
Debt limit	\$ 115,151,570	118,167,679	\$ 117,972,580	\$ 119,509,217	\$ 122,242,459	\$ 112,507,516	\$ 107,287,967	\$ 102,383,824	\$ 91,579,344	\$ 77,732,460
Total net debt applicable to limit	<u>7,940,000</u>	<u>8,595,000</u>	<u>9,645,000</u>	<u>10,655,000</u>	<u>11,620,000</u>	<u>12,545,000</u>	<u>13,430,000</u>	<u>14,280,000</u>	<u>15,060,000</u>	<u>16,058,000</u>
Legal debt margin	<u>\$ 107,211,570</u>	<u>107,512,679</u>	<u>\$ 108,327,580</u>	<u>\$ 108,854,217</u>	<u>\$ 110,622,459</u>	<u>\$ 99,962,516</u>	<u>\$ 93,857,967</u>	<u>\$ 88,103,824</u>	<u>\$ 76,519,344</u>	<u>\$ 61,674,460</u>
Total net debt applicable to the limit as a percentage of debt limit	6.90%	9.02%	8.18%	8.92%	9.51%	11.15%	12.52%	13.95%	16.44%	20.66%

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

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

## **Demographic and Economic Information**

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

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

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<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>
2016	30,499	\$ 1,368,429,132	\$ 44,868	5.10%
2015	30,483	1,367,711,244	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%

**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>2016</u>			<u>2007</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
	<u>11,559</u>		<u>100.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Countywide Disclosure

## **Operating Information**

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

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

<u>Function/Program</u>	<u>2016</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>
Instruction										
Regular	315	297	375	354	356	331	308	302	299	293
Special education	105	88	93	93	93	93	106	112	89	95
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	105	90	92	73	51	62	65	64	62	62
General administrative services	3	3	4	4	4	4	4	3	4	4
School administrative services	34	31	30	32	28	28	29	29	33	45
Business administrative services	13	11	18	18	18	18	18	18	18	18
Plant operations and maintenance	72	98	59	60	60	62	62	59	62	62
Pupil transportation	43	61	63	65	68	70	70	70	66	65
Special Schools										
Food Service	18	25	33	33	37	37	37	37	37	36
<b>Total</b>	<b>708</b>	<b>704</b>	<b>767</b>	<b>732</b>	<b>715</b>	<b>705</b>	<b>699</b>	<b>694</b>	<b>670</b>	<b>680</b>

**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				
2016	4,328	\$ 73,713,549	\$ 17,031.78	16.54%	524	1:10	1:12	1:09	4,327	4,118	0.90%	95.17%
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%

**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>2016</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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
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	667	592	592	592	592	569	587	601	625	569
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	359	392	392	392	412	412	414	428	404	396
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	512	497	497	497	459	412	426	423	410
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	16	22	22	22	21	21	25	27	29
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	416	375	375	380	380	413	400	364	364
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	279	276	276	276	243	255	231	273	256
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	416	546	546	546	535	517	491	499	507
<b><u>Middle School</u></b>										
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	614	648	648	648	676	663	652	611	634
<b><u>High School</u></b>										
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	1,037	985	985	985	1,023	1,070	1,085	1,145	1,171
<b><u>Other</u></b>										
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, 2016

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>2016</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>
Deptford High School	N/A	\$ 88,499	\$ 91,147	\$ 76,874	\$ 157,725	\$ 205,316	\$ 172,974	\$ 170,695	\$ 156,305	\$ 169,446	\$ 170,695
Monongahela Middle School	N/A	36,891	36,951	34,167	31	6,679	6,542	55,929	64,684	67,963	74,305
Central Elementary School	N/A	29,513	29,561	32,032		2,486	6,219	28,006	26,269	30,429	30,800
Good Intent Elementary School	N/A	9,838	9,854	12,813		222	8,320	18,836	16,388	26,232	27,400
Lake Tract Elementary School	N/A	9,838	9,854	10,677	1,000	1,715	3,661	14,034	18,569	13,706	21,075
New Sharon Elementary School	N/A	4,919	4,927	2,135		222	1,867	6,625	5,525	4,186	6,343
Pine Acres Elementary School	N/A	14,757	14,781	12,813		3,639	8,244	15,040	18,388	21,111	24,794
Oak Valley Elementary School	N/A	14,757	14,781	12,813		1,559	10,259	19,207	18,468	17,297	23,672
Shady Lane Elementary School	N/A	24,594	24,634	19,219		958	17,796	33,946	30,916	32,770	36,400
District Wide	N/A	9,838	9,854								
<b>Total School Facilities</b>		<b>\$ 243,444</b>	<b>\$ 246,344</b>	<b>\$ 213,543</b>	<b>\$ 158,756</b>	<b>\$ 222,796</b>	<b>\$ 235,881</b>	<b>\$ 362,318</b>	<b>\$ 355,512</b>	<b>\$ 383,140</b>	<b>\$ 415,484</b>

\* 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, 2016

*Unaudited*

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	<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 THE UNIFORM GUIDANCE 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, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB 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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, 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, State of New Jersey, 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.

***Opinion on Each Major Federal and State Program***

In our opinion, the Township of Deptford School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

***Report on Internal Control Over Compliance***

Management of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, 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 the Uniform Guidance 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 the Uniform Guidance and State of New Jersey Circular 15-08-OMB. Accordingly, this report 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 2, 2016

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Pass-through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Unearned Revenue
					From	To		
General Fund:								
U.S. Department of Education								
Passed-through State Department of Education Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	\$ 158,789	7-1-2015	6-30-2016		
Total U.S. Department of Education							-	-
Total General Fund							-	-
Special Revenue Fund:								
U.S. Department of Defense								
NJROTC	12.357	N/A	N/A		7-1-2014	6-30-2015	\$ (20,877)	\$ 1,203
NJROTC	12.357	N/A	N/A	175,753	7-1-2015	6-30-2016		
Total U.S. Department of Defense							(20,877)	1,203
U.S. Department of Education								
Passed-through State Department of Education								
N.C.L.B.:								
Title I, Part A	84.010	S010A150030	NCLB267013	521,834	7-1-2014	6-30-2015	(128,844)	
Title I, Part A	84.010	S010A150030	NCLB267013	608,072	7-1-2015	6-30-2016		
Total Title I, Part A							(128,844)	-
Title II, Part A	84.367A	S367A150029	NCLB267013	111,182	7-1-2014	6-30-2015	(6,281)	
Title II, Part A	84.367A	S367A150029	NCLB267013	105,942	7-1-2015	6-30-2016		
Total Title II, Part A							(6,281)	-
Title III	84.365	S365A150030	NCLB267013	14,241	7-1-2014	6-30-2015	(4,577)	
Title III	84.365	S365A150030	NCLB267013	20,359	7-1-2015	6-30-2016		
Title III Immigrant	84.365	S365A150030	NCLB267013	9,064	7-1-2014	6-30-2015	(1,292)	
Total Title III							(5,869)	-
Title IV Carryover	84.184	N/A	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.A. Part B, Basic Regular	84.027	H027A150100	IDEA110013	1,153,356	7-1-2014	6-30-2015	(597,297)	
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA110013	1,191,277	7-1-2015	6-30-2016		
I.D.E.A. , Part B Preschool	84.173	H173A150114	IDEA110013	34,554	7-1-2014	6-30-2015	(12,354)	
I.D.E.A. , Part B Preschool	84.173	H173A150114	IDEA110013	35,135	7-1-2015	6-30-2016		
ARRA - I.D.E.A. , Part B, Basic Regular	84.391	H027A150100	IDEA110010	1,083,478	7-1-2009	9-30-2011	(1,276)	
Total I.D.E.A. Part B Special Education Cluster							(610,927)	-
Race To The Top	84.413A	B413A120008	N/A	44,200	7-1-2012	11-30-2015	(5,335)	
Include	84.318X	N/A	N/A	434,702	9-1-2010	8-31-2011	(59,470)	
Total U.S. Department of Education							(819,681)	8,499
U.S. Department of Health and Human Services								
Centers for Disease Control and Prevention								
Passed-through State Department of Education								
CDC Partnership	93.079	N/A	IU87PS004149	5,000	8-1-2014	7-31-2015	(861)	
CDC Partnership	93.079	N/A	IU87PS004149	5,000	8-1-2015	7-31-2016		
Total U.S. Department of Health and Human Services							(861)	-
Total Special Revenue Fund							(841,419)	9,702
Enterprise Fund:								
U.S. Department of Agriculture								
Cash Assistance:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
National School Lunch Program	10.555	16161NJ304N1099	N/A	629,057	7-1-2014	6-30-2015	(45,562)	
National School Lunch Program	10.555	16161NJ304N1099	N/A	645,728	7-1-2015	6-30-2016		
National School Lunch Program - HHKFA	10.555	16161NJ304N1099	N/A	19,349	7-1-2014	6-30-2015	(1,371)	
National School Lunch Program - HHKFA	10.555	16161NJ304N1099	N/A	18,915	7-1-2015	6-30-2016		
School Breakfast Program	10.553	16161NJ304N1099	N/A	206,502	7-1-2014	6-30-2015	(16,986)	
School Breakfast Program	10.553	16161NJ304N1099	N/A	222,772	7-1-2015	6-30-2016		
Special Milk Program	10.556	16161NJ304N1099	N/A	5,009	7-1-2014	6-30-2015	(304)	
Special Milk Program	10.556	16161NJ304N1099	N/A	4,911	7-1-2015	6-30-2016		
Non-Cash Assistance:								
Food Distribution Program	10.555	16161NJ304N1099	N/A	100,225	7-1-2015	6-30-2016		
Total Child Nutrition Cluster							(64,223)	
Total Enterprise Fund							(64,223)	-
Total Federal Financial Assistance							\$ (905,642)	\$ 9,702

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.

Cash Received	Budgetary Expenditures			Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016		Due to Grantor at June 30, 2016
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue	
\$ 158,789	\$ 158,789		\$ 158,789					
158,789	158,789	-	158,789	-	-	-	-	-
158,789	158,789	-	158,789	-	-	-	-	-
20,877		\$ 1,203	1,203					
62,908		85,028	85,028			\$ (22,120)		
83,785	-	86,231	86,231	-	-	(22,120)	-	-
128,844								
535,597	536,491		536,491			(894)		
664,441	536,491	-	536,491	-	-	(894)	-	-
6,281								
86,553	93,753		93,753			(7,200)		
92,834	93,753	-	93,753	-	-	(7,200)	-	-
4,577								
9,567	12,021		12,021			(2,454)		
1,292								
15,436	12,021	-	12,021	-	-	(2,454)	-	-
						(2,955)	\$ 8,499	
597,297						-		
1,179,319	1,185,278		1,185,278			(5,959)		
12,354						-		
34,625	34,625		34,625			(1,276)		
1,823,595	1,219,903	-	1,219,903	-	-	(7,235)	-	-
5,335						-		
						(59,470)		
2,601,641	1,862,168	-	1,862,168	-	-	(80,208)	8,499	-
5,000	4,139		4,139					
	2,229		2,229			(2,229)		
5,000	6,368	-	6,368	-	-	(2,229)	-	-
2,690,426	1,868,536	86,231	1,954,767	-	-	(104,557)	8,499	-
45,562								
610,038	645,728		645,728			(35,690)		
1,371								
17,888	18,915		18,915			(1,027)		
16,986								
208,485	222,772		222,772			(14,287)		
304								
4,722	4,911		4,911			(189)		
100,225	100,225		100,225					
1,005,581	992,551		992,551			(51,193)		
1,005,581	992,551	-	992,551	-	-	(51,193)	-	-
\$ 3,854,796	\$ 3,019,876	\$ 86,231	\$ 3,106,107	\$ -	\$ -	\$ (155,750)	\$ 8,499	\$ -

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Expenditures of State Awards, Schedule B  
 For the Fiscal Year Ended June 30, 2016

State Grant/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2015		
				From	To	Unexpended Revenue / Accounts Receivable	Due to Grantor	Carryover/ (Walkover) Amount
<b>General Fund:</b>								
New Jersey Department of Education								
Current Expense								
State Aid - Public Cluster								
Equa ization Aid	15-495-034-5120-078	\$ 20,154,580		7-1-2014	6-30-2015	\$ (1,805,559)		
Equa ization Aid	16-495-034-5120-078	20,154,580		7-1-2015	6-30-2016			
School Choice	15-495-034-5120-068	54,078		7-1-2014	6-30-2015	(5,408)		
School Choice	16-495-034-5120-068	126,192		7-1-2015	6-30-2016			
Under Adequacy Aid	15-495-034-5120-096	12,894		7-1-2014	6-30-2015	(1,289)		
Under Adequacy Aid	16-495-034-5120-096	12,894		7-1-2015	6-30-2016			
Security Aid	15-495-034-5120-084	461,530		7-1-2014	6-30-2015	(46,153)		
Security Aid	16-495-034-5120-084	461,530		7-1-2015	6-30-2016			
Special Education Aid	15-495-034-5120-089	2,287,352		7-1-2014	6-30-2015	(228,735)		
Special Education Aid	16-495-034-5120-089	2,287,352		7-1-2015	6-30-2016			
PARCC Readiness Aid	15-495-034-5120-098	41,780		7-1-2014	6-30-2015	(4,178)		
PARCC Readiness Aid	16-495-034-5120-098	41,780		7-1-2015	6-30-2016			
Per Pupil Growth Aide	15-495-034-5120-097	41,780		7-1-2014	6-30-2015	(4,178)		
Per Pupil Growth Aide	16-495-034-5120-097	41,780		7-1-2015	6-30-2016			
Total State Aid - Public Cluster						(2,095,500)	-	-
State Aid - Transportation								
Transportation Aid	15-495-034-5120-014	316,708		7-1-2014	6-30-2015	(31,671)		
Transportation Aid	16-495-034-5120-014	316,708		7-1-2015	6-30-2016			
Nonpublic Transportation Aid	15-495-034-5120-014	37,018		7-1-2014	6-30-2015	(37,018)		
Nonpublic Transportation Aid	16-495-034-5120-014	42,947		7-1-2015	6-30-2016			
Total State Aid - Transportation						(68,689)	-	-
Extraordinary Special Education Aid Costs								
Extraordinary Special Education Aid Costs	15-100-034-5120-473	236,902		7-1-2014	6-30-2015	(236,902)		
Extraordinary Special Education Aid Costs	16-100-034-5120-473	268,256		7-1-2015	6-30-2016			
Total Extraordinary Aid						(236,902)	-	-
Reimbursed T.P.A.F. Social Security								
Reimbursed T.P.A.F. Social Security	15-495-034-5095-003	2,039,950		7-1-2014	6-30-2015	(100,873)		
Reimbursed T.P.A.F. Social Security	16-495-034-5095-003	2,106,028		7-1-2015	6-30-2016			
Total Reimbursed T.P.A.F. Social Security						(100,873)	-	-
Total General Fund						(2,501,964)	-	-
<b>Special Revenue Fund:</b>								
New Jersey Department of Education								
Nonpublic Aid								
Nursing Services	16-100-034-5120-070	13,590		7-1-2015	6-30-2016			
Textbook Aid (Ch. 194)	15-100-034-5120-064	9,592		7-1-2014	6-30-2015		\$ 93	
Textbook Aid (Ch. 194)	16-100-034-5120-064	8,508		7-1-2015	6-30-2016			
Technology	15-100-034-5120-373	5,152		7-1-2014	6-30-2015			174
Technology	16-100-034-5120-373	3,874		7-1-2015	6-30-2016			
Security	16-100-034-5120-509	3,775		7-1-2015	6-30-2016			
Home Instruction	Not Available	8,534		7-1-2015	6-30-2016			
Auxiliary Services (Ch. 192)								
Compensatory Education	15-100-034-5120-067	48,373		7-1-2014	6-30-2015		11,645	
Transportation	15-100-034-5120-067	9,330		7-1-2014	6-30-2015		2,319	
Auxiliary Services (Ch. 192)								
Compensatory Education	16-100-034-5120-067	38,071		7-1-2015	6-30-2016			
English as a Second Language	16-100-034-5120-067	1,728		7-1-2015	6-30-2016			
Transportation	16-100-034-5120-067	6,905		7-1-2015	6-30-2016			
Handicapped Services (Ch. 193)								
Examination & Classification	15-100-034-5120-066	26,841		7-1-2014	6-30-2015		2,882	
Corrective Speech	15-100-034-5120-066	30,039		7-1-2014	6-30-2015		12,899	
Supplemental Instruction	15-100-034-5120-066	16,479		7-1-2014	6-30-2015		2,276	
Handicapped Services (Ch. 193)								
Examination & Classification	16-100-034-5120-066	31,702		7-1-2015	6-30-2016			
Corrective Speech	16-100-034-5120-066	30,935		7-1-2015	6-30-2016			
Supplemental Instruction	16-100-034-5120-066	17,079		7-1-2015	6-30-2016			
Total Nonpublic Aid						-	32,288	-
Preschool Education Aid								
Preschool Education Aid	15-495-034-5120-086	833,316	\$ 25,205	7-1-2014	6-30-2015	11,866		
Preschool Education Aid	16-495-034-5120-086	706,200	249,561	7-1-2015	6-30-2016			
Total Preschool Education Aid						11,866	-	-
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						99,350	32,288	-
<b>Enterprise Fund:</b>								
National School Lunch Program (State Share)								
National School Lunch Program (State Share)	15-100-010-3350-023	15,938		7-1-2014	6-30-2015	(1,135)		
National School Lunch Program (State Share)	16-100-010-3350-023	15,638		7-1-2015	6-30-2016			
Total Enterprise Fund						(1,135)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						\$ (2,403,749)	\$ 32,288	\$ -
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-beha f T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	2,051,483		7-1-2015	6-30-2016			
On-beha f T.P.A.F. Pension Contributions - Non Contributory Insurance	495-034-5094-004	102,192		7-1-2015	6-30-2016			
On-beha f T.P.A.F. Pension Contributions - Post Retirement Medical	495-034-5094-001	2,564,432		7-1-2015	6-30-2016			
Total General Fund (Non-Cash Assistance)						-	-	-
Total State Financial Assistance						\$ (2,403,749)	\$ 32,288	\$ -

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	Total Budgetary Expenditures	Repayment of Prior Years' Balances	Passed Through to Subrecipients	Adjustments	Balance at June 30, 2016			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2016	Cumulative Total Expenditures
\$ 1,805,559	\$ 20,154,580				\$ (1,805,023)			\$ (1,805,023)	\$ 20,154,580
5,408	126,182				(12,618)			(12,618)	126,182
1,289	12,894				(1,289)			(1,289)	12,894
46,153	461,530				(46,153)			(46,153)	461,530
228,735	2,287,352				(228,735)			(228,735)	2,287,352
4,178	41,780				(4,178)			(4,178)	41,780
4,178	41,780				(4,178)			(4,178)	41,780
2,095,500	23,126,098	-	-	-	(2,102,174)	-	-	(2,102,174)	23,126,098
31,671	316,708				(31,671)			(31,671)	316,708
285,037	42,947				(42,947)				42,947
37,018									
353,726	359,655	-	-	-	(74,618)	-	-	(31,671)	359,655
236,902	268,256				(268,256)				268,256
236,902	268,256	-	-	-	(268,256)	-	-	-	268,256
100,873	2,106,028				(103,322)				2,106,028
2,002,706	2,106,028				(103,322)				2,106,028
2,103,579	2,106,028	-	-	-	(103,322)	-	-	-	2,106,028
4,789,707	25,860,037	-	-	-	(2,548,370)	-	-	(2,133,845)	25,860,037
13,590	13,590								13,590
8,508	8,340	\$ (93)					\$ 168		8,340
3,874	3,789	(174)					85		3,789
3,775	3,700						75		3,700
	8,534				(8,534)				
		(11,645)							
		(2,319)							
38,071	29,356						8,715		29,356
1,726							1,726		
6,905	5,405						1,500		5,405
		(2,882)							
		(12,899)							
		(2,276)							
31,702	23,015						8,687		23,015
30,935	20,231						10,704		20,231
17,079	16,112						967		16,112
156,165	132,072	(32,288)	-	-	(8,534)	-	32,627	-	123,538
83,332	95,198								95,198
885,141	955,761				(70,620)			(70,620)	955,761
968,473	1,050,959	-	-	-	(70,620)	-	-	(70,620)	1,050,959
						\$ 48,883			
					(3,000)				
					(3,000)	48,883			
						32,288			
						3,239			
						35,527			
						600			
						5,447			
						27			
						5,474			
1,124,638	1,183,031	(32,288)	-	-	(82,154)	90,484	32,627	(70,620)	1,174,497
1,135	15,638				(852)				15,638
14,786									
15,921	15,638	-	-	-	(852)	-	-	-	15,638
\$ 5,930,266	\$ 27,058,706	\$ (32,288)	\$ -	\$ -	\$ (2,631,376)	\$ 90,484	\$ 32,627	\$ (2,204,465)	\$ 27,050,172
\$ 2,051,483	\$ 2,051,483								
102,192	102,192								
2,564,432	2,564,432								
4,718,107	4,718,107	-	-	-	-	-	-	-	-
\$ 10,648,373	\$ 31,776,813	\$ (32,288)	\$ -	\$ -	\$ (2,631,376)	\$ 90,484	\$ 32,627	\$ (2,204,465)	\$ 27,050,172

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

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**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules 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. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund, 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.

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

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$(6,674) for the general fund and \$(101,061) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(88,349) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 158,789	\$ 30,578,144	\$ 30,736,933
Special Revenue	1,954,767	933,559	2,888,326
Food Service	<u>992,551</u>	<u>15,638</u>	<u>1,008,189</u>
Total Awards and Financial Assistance	\$ <u>3,106,107</u>	\$ <u>31,527,341</u>	\$ <u>34,633,448</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 2014-2015.

**Note 6: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs 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, 2016**

**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 New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes  no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_  
495-034-5120-078  
\_\_\_\_\_  
495-034-5120-089  
\_\_\_\_\_  
495-034-5120-085  
\_\_\_\_\_  
495-034-5120-083  
\_\_\_\_\_  
495-034-5120-068  
\_\_\_\_\_  
495-034-5120-098  
\_\_\_\_\_  
495-034-5120-097

**State Aid Public:**  
\_\_\_\_\_  
Equalization Aid  
\_\_\_\_\_  
Special Education Categorical Aid  
\_\_\_\_\_  
Security Aid  
\_\_\_\_\_  
Under Adequacy Aid  
\_\_\_\_\_  
School Choice  
\_\_\_\_\_  
PARCC Readiness Aid  
\_\_\_\_\_  
Per Pupil Growth Aid

Dollar threshold used to determine Type A programs \$ \_\_\_\_\_ 811,761

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, 2016

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***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, 2016

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***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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No Current Year Findings.

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***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 State of New Jersey Circular 15-08-OMB.

No Current Year Findings.



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

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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*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

No Prior Year Findings.

**FEDERAL AWARDS**

No Prior Year Findings.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No Prior Year Findings