

**TOWNSHIP OF DEPTFORD**

**SCHOOL DISTRICT**

**DEPTFORD, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

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



# DEPTFORD TOWNSHIP BOARD OF EDUCATION

2022 Good Intent Road • Deptford, New Jersey 08096  
Board Office: (856) 232-2700 Fax: (856) 227-7473  
<http://www.deptford.k12.nj.us>

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

*Superintendent*

**Carolyn Morehead**

*Assistant Superintendent*

**William R. Blatchley**

*Business Administrator/Board Secretary*

December 1, 2017

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, 2017, 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 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:

- o The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- o 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;
- o 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”*

- o The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the 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 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.

2. ECONOMIC CONDITION AND OUTLOOK: The Deptford area is served by major transportation routes including 1-295, 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.
- 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.

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.
- 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 assessment testing in grades 7-8
- The continuation of advanced track courses in all content areas.

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 implementation of a discovery-based mathematics program.
- The continued implementation of assessment testing in grades 9-12.
- The expansion of the Modeling Sciences courses.

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. 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 re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2017.

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. These funds 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:

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 LLP, 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 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,

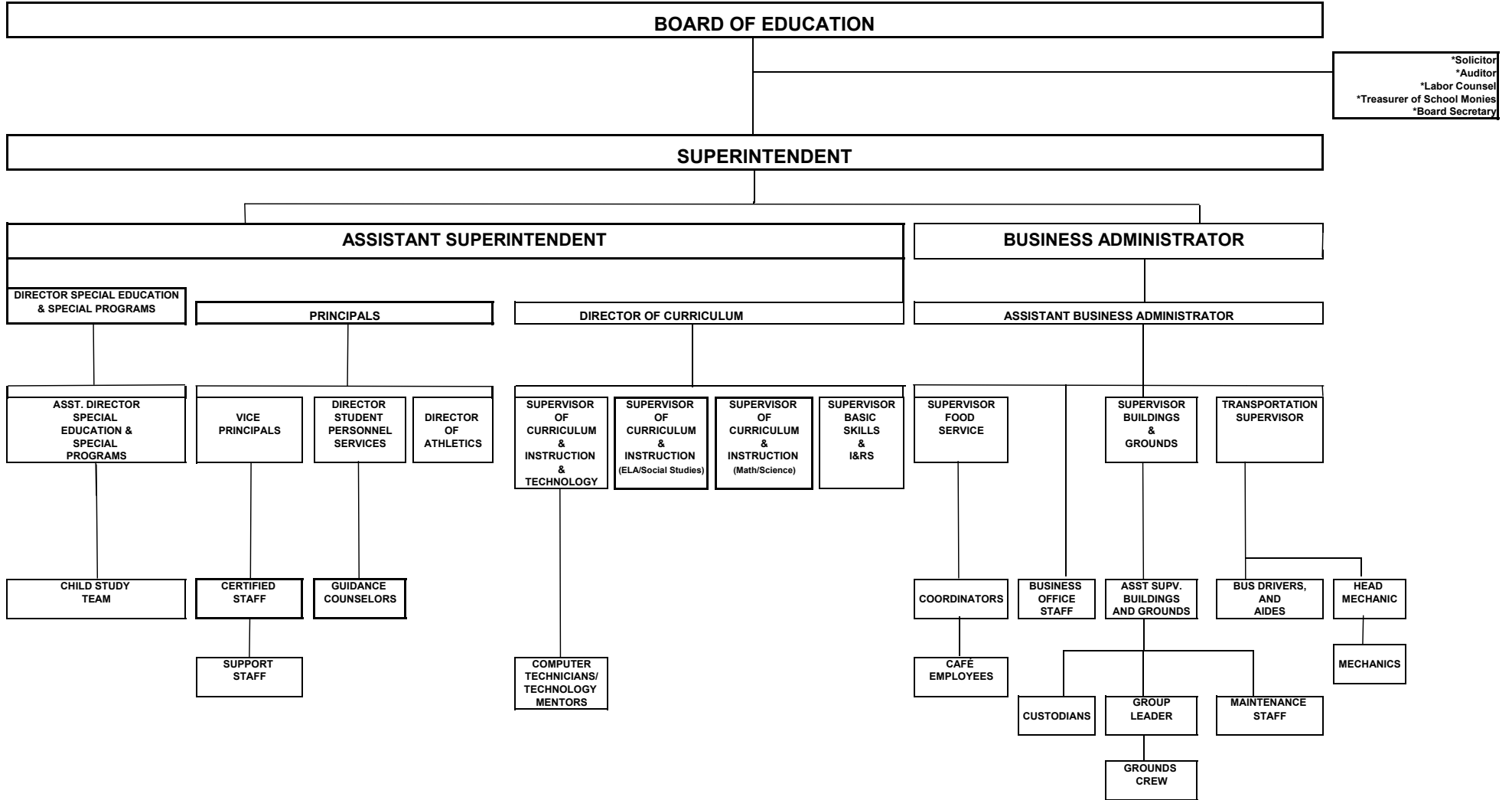


Dr. Charles R. Ford, Jr  
Superintendent



W. R. Blatchley  
School Business Administrator/ Board  
Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART



# DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

## ROSTER OF OFFICIALS

JUNE 30, 2017

### Members of the Board of Education

### Term Expires

Mark Getsinger	2019
Stacy Gray	2019
Rachel Green	2017
Trevaline Jackson (Vice President)	2017
Ed Kalinowski	2019
Brian McDonald (resigned 6/27/17)	2017
Susan Kryszczak (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, 2017, 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.



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## 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, 2017, 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, schedule of the School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Deptford School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by 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.

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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

Glen J. Walton  
Certified Public Accountant  
Public School Accountant  
No. 20CS0020500

Voorhees, New Jersey  
December 1, 2017

**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, 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, 2017, 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 1, 2017.

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

Respectfully submitted,

*Bowman + Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Glen J. Walton*

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

Voorhees, New Jersey  
December 1, 2017

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(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, 2017 and 2016. 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 2017:

- The assets and deferred outflows of resources of the Township of Deptford School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,330,326 (net position).
- The School District's total net position decreased by \$4,433,967.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$2,954,999, a decrease of \$1,282,158 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 \$716,475, which is a decrease of \$20,390 in comparison with the prior year.
- The Township of Deptford School District's total debt decreased by \$1,210,000 as a result of debt payments.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(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 and child care 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 and child care 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, 2017  
(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 2017 and 2016.

<b>TABLE 1</b>				
Net Position				
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current and Other Assets	\$ 4,072,745	\$ 5,194,061	\$ (1,121,316)	-21.59%
Capital Assets	27,751,908	29,187,064	(1,435,156)	-4.92%
<b>Total Assets</b>	<u>31,824,653</u>	<u>34,381,125</u>	<u>(2,556,472)</u>	<u>-7.44%</u>
<b>Deferred Outflows of Resources:</b>				
Related to Pensions	14,564,561	6,531,842	8,032,719	100.00%
<b>Liabilities:</b>				
Long-Term Liabilities	49,176,523	39,016,057	10,160,466	26.04%
Other Liabilities	4,543,017	4,303,401	239,616	5.57%
<b>Total Liabilities</b>	<u>53,719,540</u>	<u>43,319,458</u>	<u>10,400,082</u>	<u>24.01%</u>
Deferred Inflow of Resources - Related to Pensions	-	489,868	(489,868)	100.00%
<b>Net Position:</b>				
Net Investment in Capital Assets	20,985,094	21,004,184	(19,090)	-0.09%
Restricted	1,760,961	3,960,362	(2,199,401)	-55.54%
Unrestricted (Deficit)	(30,076,381)	(27,860,905)	(2,215,476)	7.95%
<b>Total Net Position (Deficit)</b>	<u>\$ (7,330,326)</u>	<u>\$ (2,896,359)</u>	<u>\$ (4,433,967)</u>	<u>153.09%</u>

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

<b>TABLE 2</b>				
Statement of Net Position - Effect of Pension Related Items				
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 14,564,561	\$ 6,531,842	\$ 8,032,719	100.00%
Less: Net Pension Liability	(42,141,815)	(30,468,065)	(11,673,750)	38.31%
Less: Deferred Inflows Related to Pensions	-	(489,868)	489,868	-100.00%
	<u>\$ (27,577,254)</u>	<u>\$ (24,426,091)</u>	<u>\$ (3,151,163)</u>	<u>12.90%</u>



**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2017 and 2016.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,599,430	\$ 1,079,503	\$ 519,927	48.16%
Operating Grants and Contributions	3,909,575	4,001,644	(92,069)	-2.30%
General Revenues:				
Property Taxes	41,035,906	39,908,282	1,127,624	2.83%
Grants and Contributions	44,648,119	38,751,107	5,897,012	15.22%
Other	112,584	114,976	(2,392)	-2.08%
<b>Total Revenues</b>	<u>91,305,614</u>	<u>83,855,512</u>	<u>7,450,102</u>	<u>8.88%</u>
<b>Expenses:</b>				
Instruction:				
Regular	23,716,666	25,405,080	(1,688,414)	-6.65%
Special Education	4,120,484	4,167,971	(47,487)	-1.14%
Other Special Instruction	1,855,323	1,741,812	113,511	6.52%
Student Services:				
Tuition	4,719,675	4,576,912	142,763	3.12%
Student and Instruction Related	7,725,862	7,641,053	84,809	1.11%
General Administrative Services	940,658	992,939	(52,281)	-5.27%
School Administrative Services	2,802,716	2,889,437	(86,721)	-3.00%
Central Services	706,133	717,907	(11,774)	-1.64%
Administrative Information Technology	881,047	905,070	(24,023)	-2.65%
Plant Operations and Maintenance	5,583,065	6,299,320	(716,255)	-11.37%
Pupil Transportation	4,053,915	4,086,791	(32,876)	-0.80%
Unallocated Benefits	36,125,497	26,717,805	9,407,692	35.21%
Special Schools	84,841	90,554	(5,713)	-6.31%
Transfer to Charter School	168,272	139,758	28,514	20.40%
Payment on Bond Issue Costs		115,069	(115,069)	-100.00%
Interest on Long-Term Debt	257,439	416,030	(158,591)	-38.12%
Food Service	1,866,457	1,765,038	101,419	5.75%
Childcare Program	131,531		131,531	100.00%
<b>Total Expenses</b>	<u>95,739,581</u>	<u>88,668,546</u>	<u>7,071,035</u>	<u>7.97%</u>
Increase (Decrease) in Net Position	(4,433,967)	(4,813,034)	379,067	(0.08)
Beginning Net Position (Deficit)	<u>(2,896,359)</u>	<u>1,916,675</u>	<u>(4,813,034)</u>	<u>-251.11%</u>
Ending Net Position (Deficit)	<u>\$ (7,330,326)</u>	<u>\$ (2,896,359)</u>	<u>\$ (4,433,967)</u>	<u>153.09%</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2016-2017, Governmental Activities Revenues were \$89,300,454 or 98.02% of total revenues.

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

In 2016-2017, General Revenues - Property Taxes of \$41,035,906 made up 45.95%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$44,648,119 made up 50.00% of Governmental Activities Revenues.

In 2015-2016, General Revenues - Property Taxes of \$39,908,282 made up 48.54%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$38,751,107 made up 47.13% of Governmental Activities Revenues.

In 2016-2017, the School District's Governmental Activities expenditures increased by \$6,838,085 or 7.87%.

**Business-Type Activities**

In 2016-2017 Business-Type Activities Revenues were \$1,805,160 or 1.98% of total revenues. In 2015-2016 Business-Type Activities Revenues were \$1,635,313 or 1.95% of total revenues.

Charges for Services for Business-Type Activities were \$785,940 in 2016-2017 compared to \$627,124 in 2015-2016, a 25.32% increase.

Operating Grants and Contributions for Business-Type Activities were \$1,019,220 in 2016-2017 compared to \$1,008,189 in 2015-2016, a 1.09% increase.

Expenses for Business-Type Activities were \$1,997,988 in 2016-2017 compared to \$1,765,038 in 2015-2016, a 13.20% increase.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$64,089,005, which was less than the original budget.

The 2016-2017 General Fund Tax Levy was \$39,687,220, an increase of \$1,222,738 or 3.18% from the 2015-2016 General Fund Tax Levy of \$38,464,482.

During fiscal year 2017, the School District budgeted \$39,687,220 for property taxes (local tax levy) and \$23,866,378 for state aid revenues.

The School District also received \$2,067,375 and \$5,631,741 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 \$2,067,375 and \$5,631,741 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$67,506,405, which was greater than the original budget.

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(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 \$2,954,999, a decrease of \$1,282,158 in comparison with the prior year.

Of the combined ending fund balances of \$2,954,999, \$798,394 constitutes unassigned fund balance deficits. The remainder of fund balance of \$3,753,393 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 \$142,265 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, 2017 amounts to \$20,985,094 (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 0.09%. The net decrease was the result of the net effect of the 2017 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, 2017</u>	<u>June 30, 2016</u>
Land	\$ 210,136	\$ 210,136
Site Improvements	737,699	414,217
Building and Improvements	20,177,529	26,580,499
Equipment	<u>6,626,544</u>	<u>1,982,212</u>
 Total Capital Assets	 <u>\$ 27,751,908</u>	 <u>\$ 29,187,064</u>

Depreciation expense was \$2,365,251 for fiscal year ended 2017 and \$3,483,968 for fiscal year ended 2016.

**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 \$6,280,000. The entire Township of Deptford School District's bonded debt is governmental as opposed to business-type. The 2018 adopted budget has an appropriation of \$1,210,000 representing the payment of the annual principal. The 2018 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, 2017  
(Unaudited) (Cont'd)

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**FACTORS ON THE DISTRICT'S FUTURE**

For the 2016-17 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 45.95% of total revenue is from local tax levy and 35.63% 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 William Blatchley, 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, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,691,419	\$ 190,570	\$ 1,881,989
Receivables, net	1,579,609	169,144	1,748,753
Internal Balances	412,180	(412,180)	
Inventory		24,646	24,646
Restricted Assets:			
Restricted Cash and Cash Equivalents	9,269		9,269
Capital Reserve Account - Cash	408,088		408,088
Capital Assets, net (Note 6)	<u>27,596,970</u>	<u>154,938</u>	<u>27,751,908</u>
<b>Total Assets</b>	<u>31,697,535</u>	<u>127,118</u>	<u>31,824,653</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pension (Note 8)	<u>14,564,561</u>		<u>14,564,561</u>
<b>LIABILITIES:</b>			
Accounts Payable	2,396,414	82,411	2,478,825
Payable to State Government	11,532		11,532
Unearned Revenue	118,860		118,860
Accrued Interest Payable	11,492		11,492
Noncurrent Liabilities (Note 7):			
Due within One Year	1,919,971	2,337	1,922,308
Due beyond One Year	<u>49,146,826</u>	<u>29,697</u>	<u>49,176,523</u>
<b>Total Liabilities</b>	<u>53,605,095</u>	<u>114,445</u>	<u>53,719,540</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Related to Pension (Note 8)	<u>-</u>		<u>-</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	20,830,156	154,938	20,985,094
Restricted for:			
Debt Service	9,269		9,269
Capital Projects	408,088		408,088
Other Purposes	1,343,604		1,343,604
Unrestricted (Deficit)	<u>(29,934,116)</u>	<u>(142,265)</u>	<u>(30,076,381)</u>
<b>Total Net Position</b>	<u>\$ (7,342,999)</u>	<u>\$ 12,673</u>	<u>\$ (7,330,326)</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, 2017

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	\$ 23,716,666		\$ 901,484	\$ (22,815,182)		\$ (22,815,182)
Special Education	4,120,484	\$ 813,490	503,902	(2,803,092)		(2,803,092)
Other Special Instruction	1,855,323			(1,855,323)		(1,855,323)
Support Services:						
Tuition	4,719,675		1,138,678	(3,580,997)		(3,580,997)
Student and Instruction Related Services	7,725,862		323,051	(7,402,811)		(7,402,811)
General Administrative Services	940,658			(940,658)		(940,658)
School Administrative Services	2,802,716			(2,802,716)		(2,802,716)
Central Services	706,133			(706,133)		(706,133)
Administrative Information Technology	881,047			(881,047)		(881,047)
Plant Operations and Maintenance	5,583,065			(5,583,065)		(5,583,065)
Pupil Transportation	4,053,915			(4,053,915)		(4,053,915)
Unallocated Benefits	36,125,497		23,240	(36,102,257)		(36,102,257)
Special School	84,841			(84,841)		(84,841)
Transfer to Charter School	168,272			(168,272)		(168,272)
Interest on Long-Term Debt	257,439			(257,439)		(257,439)
<b>Total Governmental Activities</b>	<b>93,741,593</b>	<b>813,490</b>	<b>2,890,355</b>	<b>(90,037,748)</b>	<b>-</b>	<b>(90,037,748)</b>
<b>Business-Type Activities:</b>						
Food Service	1,866,457	647,804	1,019,220		\$ (199,433)	(199,433)
Childcare Program	131,531	138,136			6,605	6,605
<b>Total Business-Type Activities</b>	<b>1,997,988</b>	<b>785,940</b>	<b>1,019,220</b>	<b>-</b>	<b>(192,828)</b>	<b>(192,828)</b>
<b>Total Government</b>	<b>\$ 95,739,581</b>	<b>\$ 1,599,430</b>	<b>\$ 3,909,575</b>	<b>(90,037,748)</b>	<b>(192,828)</b>	<b>(90,230,576)</b>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, net				39,687,220		39,687,220
Taxes Levied for Debt Service				1,348,686		1,348,686
Federal and State Aid Not Restricted				44,648,119		44,648,119
Interest and Investment Earnings				5,760		5,760
Miscellaneous Income				106,824		106,824
Transfer				(200,000)	200,000	-
<b>Total General Revenues and Transfer</b>				<b>85,596,609</b>	<b>200,000</b>	<b>85,796,609</b>
<b>Change in Net Position</b>				<b>(4,441,139)</b>	<b>7,172</b>	<b>(4,433,967)</b>
<b>Net Position (Deficit) -- July 1</b>				<b>(2,901,860)</b>	<b>5,501</b>	<b>(2,896,359)</b>
<b>Net Position (Deficit) -- June 30</b>				<b>\$ (7,342,999)</b>	<b>\$ 12,673</b>	<b>\$ (7,330,326)</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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,688,619	\$ 2,800		\$ 9,269	\$ 1,700,688
Cash - Capital Reserve Account	408,088				408,088
Accounts Receivable					
State	446,742	4,642			451,384
Federal		589,444			589,444
Other	538,781				538,781
Interfunds Receivable	916,273				916,273
<b>Total Assets</b>	<b>\$ 3,998,503</b>	<b>\$ 596,886</b>	<b>\$ -</b>	<b>\$ 9,269</b>	<b>\$ 4,604,658</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 970,854	\$ 44,320			\$ 1,015,174
Interfunds Payable		504,093			504,093
Payable to State Government		11,532			11,532
Unearned Revenue		118,860			118,860
<b>Total Liabilities</b>	<b>970,854</b>	<b>678,805</b>	<b>-</b>	<b>-</b>	<b>1,649,659</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	408,088				408,088
Excess Surplus-- Designated for Subsequents Year's Expenditures	696,369				696,369
Excess Surplus	647,235				647,235
Debt Service				9,269	9,269
<b>Assigned:</b>					
Other Purposes	1,992,432				1,992,432
Unassigned (Deficit)	(716,475)	(81,919)			(798,394)
<b>Total Fund Balances</b>	<b>3,027,649</b>	<b>(81,919)</b>	<b>-</b>	<b>9,269</b>	<b>2,954,999</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,998,503</b>	<b>\$ 596,886</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 \$67,396,870, and the accumulated depreciation is \$39,799,900.

27,596,970

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.

(8,924,982)

Accrued interest payable

(11,492)

Net Pension Liability

(42,141,815)

Accounts Payable related to the April 1, 2018 Required PERS pension contribution that is not to be liquidated with current financial resources.

(1,381,240)

Deferred Outflows of Resources - Related to Pensions

14,564,561

Deferred Inflows of Resources - Related to Pensions

-

Net Position of Governmental Activities

\$ (7,342,999)

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 39,687,220			\$ 1,348,686	\$ 41,035,906
Tuition Charges	813,490				813,490
Interest	5,760				5,760
Unrestricted Miscellaneous Revenues	106,824				106,824
State Sources	31,666,803	\$ 939,781			32,606,584
Federal Sources	151,220	1,945,637			2,096,857
Local Sources		4,937			4,937
<b>Total Revenues</b>	<b>72,431,317</b>	<b>2,890,355</b>	<b>-</b>	<b>1,348,686</b>	<b>76,670,358</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	21,750,388	901,484			22,651,872
Special Education Instruction	3,432,769	503,902			3,936,671
Other Special Instruction	1,761,026				1,761,026
<b>Support Services and Undistributed Costs:</b>					
Tuition	3,580,997	1,138,678			4,719,675
Student and Instruction Related Services	7,026,563	323,051			7,349,614
General Administrative Services	940,658				940,658
School Administrative Services	2,660,268				2,660,268
Central Services	670,244				670,244
Administrative Information Technology	836,269				836,269
Plant Operations and Maintenance	5,465,499				5,465,499
Pupil Transportation	4,053,915				4,053,915
Unallocated Benefits	19,703,751	323,319			20,027,070
Special School	84,841				84,841
Transfer to Charter School	168,272				168,272
<b>Debt Service:</b>					
Principal				1,210,000	1,210,000
Interest and Other Charges	147,841			138,686	286,527
Capital Outlay	930,095				930,095
<b>Total Expenditures</b>	<b>73,213,396</b>	<b>3,190,434</b>	<b>-</b>	<b>1,348,686</b>	<b>77,752,516</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(782,079)</b>	<b>(300,079)</b>	<b>-</b>		<b>(1,082,158)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In		288,780			288,780
Operating Transfers Out	(288,780)				(288,780)
Operating Transfer Out to Food Service Fund - Transfer to Cover Deficit	(200,000)				(200,000)
<b>Total Other Financing Sources and Uses</b>	<b>(488,780)</b>	<b>288,780</b>	<b>-</b>	<b>-</b>	<b>(200,000)</b>
<b>Net Change in Fund Balances</b>	<b>(1,270,859)</b>	<b>(11,299)</b>	<b>-</b>	<b>-</b>	<b>(1,282,158)</b>
Fund Balance (Deficit) -- July 1	4,298,508	(70,620)	-	9,269	4,237,157
<b>Fund Balance (Deficit) -- June 30</b>	<b>\$ 3,027,649</b>	<b>\$ (81,919)</b>	<b>\$ -</b>	<b>\$ 9,269</b>	<b>\$ 2,954,999</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, 2017

Total Net Change in Fund Balances - Governmental Funds	\$	(1,282,158)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(2,334,788)
Capital Outlays		<u>930,095</u>
		(1,404,693)
<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>		
		1,210,000
<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>		
		(1,886)
<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		30,974
<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>		
		175,092
<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>		
		99,863
<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>(3,268,331)</u>
Change in Net Position of Governmental Activities	\$	<u>(4,441,139)</u>

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Funds  
Statement of Net Position  
June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 183,965	\$ 6,605	\$ 190,570
Accounts Receivable:			
State	917		917
Federal	56,304		56,304
Other	111,923		111,923
Inventories	24,646		24,646
Total Current Assets	<u>377,755</u>	<u>6,605</u>	<u>384,360</u>
Noncurrent Assets:			
Equipment	661,159		661,159
Less Accumulated Depreciation	<u>(506,221)</u>		<u>(506,221)</u>
Total Noncurrent Assets	<u>154,938</u>	<u>-</u>	<u>154,938</u>
Total Assets	<u>532,693</u>	<u>6,605</u>	<u>539,298</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Payable	412,180		412,180
Accounts Payable	82,411		82,411
Compensated Absences Payable	2,337		2,337
Total Current Liabilities	<u>496,928</u>	<u>-</u>	<u>496,928</u>
Noncurrent Liabilities:			
Compensated Absences Payable	29,697		29,697
Total Liabilities	<u>526,625</u>	<u>-</u>	<u>526,625</u>
<b>NET POSITION:</b>			
Net Investment In Capital Assets	154,938		154,938
Unrestricted (Deficit)	<u>(148,870)</u>	<u>6,605</u>	<u>(142,265)</u>
Total Net Position	<u>\$ 6,068</u>	<u>\$ 6,605</u>	<u>\$ 12,673</u>

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 397,468		\$ 397,468
Daily Sales - Non-Reimbursable Programs	236,168		236,168
Special Functions	14,168		14,168
Community Service Activities		\$ 137,986	137,986
Miscellaneous		150	150
Total Operating Revenues	<u>647,804</u>	<u>138,136</u>	<u>785,940</u>
<b>OPERATING EXPENSES:</b>			
Salaries	814,871	99,907	914,778
Employee Benefits	193,979	16,764	210,743
Supplies and Materials	60,384	9,795	70,179
Cost of Sales - Reimbursable Programs	586,932		586,932
Cost of Sales - Non-Reimbursable Programs	90,884		90,884
Purchased Professional Services	10,370		10,370
Other Purchased Services		3,539	3,539
Office and Uniform Expense	6,875		6,875
Equipment	7,398		7,398
Repairs and Maintenance	22,019		22,019
Bank Charges	18,328		18,328
Insurance and Fees	22,046		22,046
Depreciation	30,463		30,463
Miscellaneous	1,908	1,526	3,434
Total Operating Expenses	<u>1,866,457</u>	<u>131,531</u>	<u>1,997,988</u>
Operating Income (Loss)	<u>(1,218,653)</u>	<u>6,605</u>	<u>(1,212,048)</u>
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	15,332		15,332
Federal Sources:			
National School Lunch Program	647,500		647,500
School Breakfast Program	230,894		230,894
Healthy Hunger Free Kids Program	18,584		18,584
Special Milk Program	3,886		3,886
After School Snack Program	1,981		1,981
United States Department of Agriculture Commodities	101,043	-	101,043
Total Nonoperating Revenues	<u>1,019,220</u>	<u>-</u>	<u>1,019,220</u>
Income (loss) before contributions	<u>(199,433)</u>	<u>6,605</u>	<u>(192,828)</u>
Board Contribution	<u>200,000</u>		<u>200,000</u>
Change in Net Position	567	6,605	7,172
Net Position -- July 1	<u>5,501</u>	<u>-</u>	<u>5,501</u>
Net Position -- June 30	<u>\$ 6,068</u>	<u>\$ 6,605</u>	<u>\$ 12,673</u>

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

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 645,083	\$ 138,136	\$ 783,219
Payments to Employees	(822,281)	(99,907)	(922,188)
Payments for Employee Benefits	(193,979)	(16,764)	(210,743)
Payments to Suppliers	<u>(1,030,631)</u>	<u>(14,860)</u>	<u>(1,045,491)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,401,808)</u>	<u>6,605</u>	<u>(1,395,203)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Cash Received from State and Federal Reimbursements	913,001		913,001
Transfers from Other Funds	<u>200,000</u>		<u>200,000</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,113,001</u>	<u>-</u>	<u>1,113,001</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(288,807)	6,605	(282,202)
Cash and Cash Equivalents -- July 1	<u>472,772</u>		<u>472,772</u>
Cash and Cash Equivalents -- June 30	<u>\$ 183,965</u>	<u>\$ 6,605</u>	<u>\$ 190,570</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (1,218,653)	\$ 6,605	\$ (1,212,048)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	30,463		30,463
Federal Commodities	101,043		101,043
(Increase) Decrease in Inventories	(6,372)		(6,372)
(Increase) Decrease in Other Current Receivables	(2,721)		(2,721)
Increase (Decrease) in Other Current Liabilities	(298,158)		(298,158)
Increase (Decrease) in Compensated Absences Payable	<u>(7,410)</u>		<u>(7,410)</u>
Total Adjustments	<u>(183,155)</u>	<u>-</u>	<u>(183,155)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,401,808)</u>	<u>\$ 6,605</u>	<u>\$ (1,395,203)</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  
 June 30, 2017

	<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	\$ 710,837	\$ 63,520	\$ 250,592	\$ 1,314,717
Total Assets	<u>710,837</u>	<u>63,520</u>	<u>\$ 250,592</u>	<u>\$ 1,314,717</u>
<b>LIABILITIES:</b>				
Net Payroll - Summer Salary Payable to Student Groups			\$ 250,592	\$ 1,314,717
Total Liabilities			<u>\$ 250,592</u>	<u>\$ 1,314,717</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purpose	<u>\$ 710,837</u>	<u>\$ 63,520</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, 2017

	<u>Private-Purposes Trust Funds</u>	
	<u>New Jersey Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 102,201	
Gifts and Contributions		\$ 6,600
Total Contributions	<u>102,201</u>	<u>6,600</u>
Investment Earnings:		
Interest on Investments	<u>2,925</u>	
Net Investment Earnings	<u>2,925</u>	<u>-</u>
Total Additions	<u>105,126</u>	<u>6,600</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	84,717	
Scholarships Awarded		3,500
Total Deductions	<u>84,717</u>	<u>3,500</u>
Change in Net Position	20,409	3,100
Net Position -- July 1	<u>690,428</u>	<u>60,420</u>
Net Position -- June 30	<u>\$ 710,837</u>	<u>\$ 63,520</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, 2017

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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 Kindergarten through 12 at the School District's eight schools. The School District has an approximate enrollment at June 30, 2017 of 4,231.

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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. 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.

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

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.

Based upon the application of these criteria, the School District has no component units.

**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 government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

The School District reports the following 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, or from the general fund by way of transfers from capital outlay or the capital reserve account.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

The School District reports the following major proprietary funds:

**Enterprise Funds**

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

**Child Care Fund** – This fund accounts for the financial activity related to providing day care services for School District students before school and after school.

Additionally, the School District reports the following fund types:

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 financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

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

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

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

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.

**Budgets / Budgetary Control**

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

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

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

The budget, as detailed on Exhibit C-1, 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.

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

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 expenses when consumed rather than when purchased.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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, 2017. The School District had no prepaid expenses for the fiscal year ended June 30, 2017.

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

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position 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	20-50 years	N/A
Equipment	5-15 years	15 Years

The School District does not possess any infrastructure assets.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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, 2017 and 2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, 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.

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

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.

**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.

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

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

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

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

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

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

**Accounting Estimates**

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

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

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2017:

Statement No. 77, *Tax Abatement Disclosures*. This Statement provides financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The adoption of this Statement had no 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 adoption of this Statement had no 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 adoption of this Statement did not have a significant 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 uninsured and uncollateralized.

As of June 30, 2017, the School District's bank balance of \$5,733,898 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Insured under GUDPA	3,465,408
Uninsured/Uncollateralized	<u>2,018,490</u>
	<u>\$ 5,733,898</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, 2017, the School District's deposits with the New Jersey Cash Management Fund were \$1,577,455.

**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.

**Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)**

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance July 1, 2016	\$	1,752,088
Withdrawals		<u>(1,344,000)</u>
Ending Balance June 30, 2017	\$	<u>408,088</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2017 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, 2017 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. All receivables are considered collectible.

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</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 589,444	\$ 589,444	\$ 56,304	\$ 56,304	\$ 645,748
State Awards	\$ 446,742	4,642	451,384	917	917	452,301
Other	538,781		538,781	111,923	111,923	650,704
Total	<u>\$ 985,523</u>	<u>\$ 594,086</u>	<u>\$ 1,579,609</u>	<u>\$ 169,144</u>	<u>\$ 169,144</u>	<u>\$ 1,748,753</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2017 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food Supplies	\$	15,292
		<u>9,354</u>
	\$	<u>24,646</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance July 30, 2017</u>
<b>Governmental Activities</b>				
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	1,354,994	\$ 155,500		1,510,494
Building and Improvements	49,541,900	442,058		49,983,958
Equipment	15,504,123	332,537	\$ (144,378)	15,692,282
Total Capital Assets, being Depreciated	<u>66,401,017</u>	<u>930,095</u>	<u>(144,378)</u>	<u>67,186,734</u>
Less Accumulated Depreciation				
Land Improvements	(700,892)	(71,904)		(772,796)
Building and Improvements	(28,303,990)	(1,502,439)		(29,806,429)
Equipment	(8,604,608)	(760,445)	144,378	(9,220,675)
Total Accumulated Depreciation	<u>(37,609,490)</u>	<u>(2,334,788)</u>	<u>144,378</u>	<u>(39,799,900)</u>
Total Capital Assets, being Depreciated, Net	<u>28,791,527</u>	<u>(1,404,693)</u>	<u>-</u>	<u>27,386,834</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,001,663</u>	<u>\$ (1,404,693)</u>	<u>\$ -</u>	<u>\$ 27,596,970</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated				
Equipment	\$ 661,159			\$ 661,159
Less Accumulated Depreciation	(475,758)	\$ (30,463)		(506,221)
Total Business-Type Activities Capital Assets, Net	<u>\$ 185,401</u>	<u>\$ (30,463)</u>	<u>\$ -</u>	<u>\$ 154,938</u>

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

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

<b>Governmental Activities:</b>	
Regular Instruction	\$ 1,164,656
Special Instruction	183,813
Other Special Instruction	94,297
Student & Instruction Related Services	376,248
School Administrative Services	223,116
Plant Operations and Maintenance	<u>292,658</u>
Total Depreciation – Governmental Activities	<u>\$ 2,334,788</u>
<b>Business-Type Activities:</b>	
Food Service	<u>\$ 30,463</u>
Total Depreciation – Business-Type Activities	<u>\$ 30,463</u>

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 7,490,000		\$ (1,210,000)	\$ 6,280,000	\$ 1,210,000
Unamortized Cost of Premium on Bonds	<u>178,102</u>		<u>(30,974)</u>	<u>147,128</u>	
Other Liabilities:					
Net Pension Liability	30,468,065	\$ 18,205,592	(6,531,842)	42,141,815	
Obligations under Capital Lease	514,778		(175,092)	339,686	153,886
Compensated Absences	<u>2,258,031</u>	<u>423,956</u>	<u>(523,819)</u>	<u>2,158,168</u>	<u>556,085</u>
Total Other Liabilities	<u>33,240,874</u>	<u>18,629,548</u>	<u>(7,230,753)</u>	<u>44,639,669</u>	<u>709,971</u>
Governmental Activity Long-term Liabilities	<u>\$ 40,908,976</u>	<u>\$ 18,629,548</u>	<u>\$ (8,471,727)</u>	<u>\$ 51,066,797</u>	<u>\$ 1,919,971</u>

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



**Note 7: LONG-TERM LIABILITIES (CONT'D)**

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 39,444	\$ 34,466	\$ (41,876)	\$ 32,034	\$ 2,337

Compensated absences are liquidated by the food service fund.

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

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2016	\$ 7,490,000	2018 to 2022	2.0-3.0%	\$ 6,290,000

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 6,280,000</u>	<u>\$ 405,600</u>	<u>\$ 6,685,600</u>

**Bonds Authorized But Not Issued** - As of June 30, 2017, the School District had no authorizations to issue additional bonded debt.

**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, 2017.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 153,886	\$ 5,408	\$ 159,294
2019	92,140	3,066	95,206
2020	93,660	1,545	95,205
	<u>\$ 339,686</u>	<u>\$ 10,019</u>	<u>\$ 349,705</u>

**Note 7: LONG-TERM LIABILITIES (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 11 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 is 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.state.nj.us/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)****Plan Descriptions (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 \$5,000.00 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:

**Tier Definition**

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 ten 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 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, 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, 2017 was 7.45% 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, 2017 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, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$2,142,270, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$2,087,608.

**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 seven years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. 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 amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 14.00% 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, 2016, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$1,264,072, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$728,268.

**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, 2017, employee contributions totaled \$60,977, and the School District recognized pension expense, which equaled the required contributions, of \$33,279. 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, 2017, 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>211,608,201</u>
	<u>\$ 211,608,201</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. For the June 30, 2016 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, 2016, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2016 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.2689945002%, which was an increase of 0.0053504929% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$15,899,412 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 and revenue was based on the pension plans June 30, 2016 measurement date.

**Public Employees' Retirement System** - At June 30, 2017, the School District reported a liability of \$42,141,815 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. 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 measurement date, the School District's proportion was 0.1422886451%, which was an increase of 0.0065613177 from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$4,532,330, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 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, 2017, 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	\$ 783,710	\$ -
Changes of Assumptions	8,729,533	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,606,906	-
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	2,063,172	-
School District Contributions Subsequent to the Measurement Date	<u>1,381,240</u>	<u>-</u>
	<u>\$ 14,564,561</u>	<u>\$ -</u>

\$1,381,240 included deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2018. 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>
2018	\$ 3,012,563
2019	3,012,563
2020	3,409,467
2021	2,839,768
2022	<u>908,960</u>
	<u>\$ 13,183,321</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, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
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
June 30, 2016	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
June 30, 2015	5.57	5.57



**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)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.08%
Salary Increases:		
2012-2021	Varies Based on Experience	
Through 2026		1.65% - 4.15% Base on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2012- June 30, 2015	July 1, 2011 – June 30, 2014

For TPAF, pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following tables:

**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)****Actuarial Assumptions (cont'd)**

<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>
Cash	5.00%	0.39%	Cash	5.00%	0.87%
US Government Bonds	1.50%	1.29%	U.S. Treasuries	1.50%	1.74%
US Credit Bonds	13.00%	2.76%	Investment Grade Credit	8.00%	1.79%
US Mortgages	2.00%	2.38%	Mortgages	2.00%	1.67%
US Inflation-Indexed Bonds	1.50%	1.41%	High Yield Bonds	2.00%	4.56%
US High Yield Bonds	2.00%	4.70%	Inflation-Indexed Bonds	1.50%	3.44%
US Equity Market	26.00%	5.14%	Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	5.91%	Developed Foreign Equities	13.25%	6.83%
Emerging Markets Equity	6.50%	8.16%	Emerging Market Equities	6.50%	9.95%
Private Real Estate Property	5.25%	3.64%	Private Equity	9.00%	12.40%
Timber	1.00%	3.86%	Hedge Funds/Absolute Return	12.50%	4.68%
Farmland	1.00%	4.39%	Real Estate (Property)	2.00%	6.91%
Private Equity	9.00%	8.97%	Commodities	0.50%	5.45%
Commodities	0.50%	2.87%	Global Debt ex U.S. REIT	5.00%	-0.25%
Hedge Funds – MultiStrategy	5.00%	3.70%		5.25%	5.63%
Hedge Funds – Equity Hedge	3.75%	4.72%			
Hedge Funds - Distressed	3.75%	3.49%			
	<u>100.00%</u>			<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability at June 30, 2016 were 3.22% and 3.98% for TPAF and PERS, 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 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. 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 2029 for TPAF and 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 for TPAF and 2034 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 8: PENSION PLANS (CONT'D)****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, 2016, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 3.22%, 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 (2.22%)</b>	<b>Current Discount Rate (3.22%)</b>	<b>1% Increase (4.22%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	252,707,481	211,608,201	178,045,335
	<u>\$ 252,707,481</u>	<u>\$ 211,608,201</u>	<u>\$ 178,045,335</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, 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:

	<b>PERS</b>		
	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 51,639,876	\$ 42,141,815	\$ 34,300,343

**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's 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](http://www.nj.gov/treasury/pensions).

**Note 9: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,961,996, \$107,320, \$2,557,438, and \$4,987, respectively.

**Note 10: 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 11: 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.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2017 the liability for compensated absences reported on the government-wide statement of net position was \$2,158,168.

**Note 12: INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 916,273	
Special Revenue		\$ 504,093
Proprietary		412,180
	<u>\$ 916,273</u>	<u>\$ 916,273</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.

Transfers:

	<u>Transfer In:</u>	
	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>
<u>Transfer Out:</u>		
General Fund	<u>\$ 288,780</u>	<u>\$ 200,000</u>
Total Transfers	<u>\$ 288,780</u>	<u>\$ 200,000</u>

The principal purposes of fund transfer made during the fiscal year was for preschool education aid and to fund operating expenses for the food service fund.

**Note 13: 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 14: 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 15: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$716,475 in the general fund and \$81,919 in the special revenue fund as of June 30, 2017 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 payments, 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 \$798,394 is less than the June state aid payments.

**Note 16: 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 restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$647,235. Additionally, \$696,369 of excess fund balance generated during 2015-2016 has been restricted and designated for utilization in the 2017-2018 budget.

**For Capital Reserve Account** - As of June 30, 2017, the balance in the capital reserve account is \$408,088. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**ASSIGNED**

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

**General Fund**

**Other Purposes** - As of June 30, 2017, the School District had \$1,992,432 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Note 16: FUND BALANCES (CONT'D)****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, 2017, \$716,475 of general fund balance was unassigned.

**Special Revenue Fund** - As of June 30, 2017, the fund balance of the special revenue fund was a deficit of \$81,919, 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 15, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$81,919 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, 2017

	<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	\$ 39,687,220		\$ 39,687,220	\$ 39,687,220	
Tuition - from Individual				10,392	\$ 10,392
Tuition - LEAs w/in state	300,000		300,000	803,098	503,098
Interest	1	\$ (1)	-	5,760	5,760
Miscellaneous	115,000		115,000	106,824	(8,176)
<b>Total - Local Sources</b>	<b>40,102,221</b>	<b>(1)</b>	<b>40,102,220</b>	<b>40,613,294</b>	<b>511,074</b>
State Sources:					
Equalization Aid	20,209,857		20,209,857	20,209,857	-
Nonpublic Transportation Aid				38,106	38,106
Extraordinary Aid	215,000		215,000	306,962	91,962
Categorical Special Education Aid	2,328,005		2,328,005	2,328,005	-
Categorical Security Aid	483,815		483,815	483,815	-
Categorical Transportation Aid	365,085		365,085	365,085	-
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	-
Professional Learning Community	41,980		41,980	41,980	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				2,961,996	2,961,996
On-Behalf T.P.A.F. Non-contributory Insurance (non-budgeted)				107,320	107,320
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				4,987	4,987
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,557,438	2,557,438
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,067,375	2,067,375
<b>Total - State Sources</b>	<b>23,866,378</b>	<b>-</b>	<b>23,866,378</b>	<b>31,695,562</b>	<b>7,829,184</b>
Federal Sources:					
ARRA - SEMI				7,600	7,600
Medicaid Reimbursement	120,407		120,407	143,620	23,213
<b>Total - Federal Sources</b>	<b>120,407</b>		<b>120,407</b>	<b>151,220</b>	<b>30,813</b>
<b>Total Revenues</b>	<b>64,089,006</b>	<b>(1)</b>	<b>64,089,005</b>	<b>72,460,076</b>	<b>8,371,071</b>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

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:					
Kindergarten	\$ 1,166,989	\$ 3,717	\$ 1,170,706	\$ 1,148,570	\$ 22,136
Grades 1-5	9,340,066	(602,574)	8,737,492	8,626,866	110,626
Grades 6-8	4,792,536	(399,364)	4,393,172	4,382,851	10,321
Grades 9-12	5,650,006	(37,599)	5,612,407	5,516,637	95,770
Regular Programs - Home Instruction:					
Salaries of Teachers	90,000	16,703	106,703	105,330	1,373
Purchased Services	65,000	(16,139)	48,861	48,861	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	204,929	(118,000)	86,929	81,400	5,529
Purchased Professional / Educational Services	572,726	93,744	666,470	666,470	-
Purchased Technical Services	59,122	(5,654)	53,468	53,468	-
Rentals		143,926	143,926	143,926	-
Other Purchased Services	239,736	(217,058)	22,678	22,348	330
Travel		3,928	3,928	3,899	29
General Supplies	716,242	106,560	822,802	820,346	2,456
Textbooks	110,689	14,405	125,094	125,094	-
Other Objects	1,850	1,451	3,301	3,301	-
Miscellaneous		1,021	1,021	1,021	-
Total Regular Programs	<u>23,009,891</u>	<u>(1,010,933)</u>	<u>21,998,958</u>	<u>21,750,388</u>	<u>248,570</u>
Special Education - Instruction:					
Cognitive - Moderate:					
Salaries of Teachers	208,657	(660)	207,997	204,765	3,232
Other Salaries for Instruction	102,465		102,465	100,455	2,010
General Supplies	6,475	(930)	5,545	5,545	-
Other Objects	1,350	(921)	429	429	-
Total Cognitive - Moderate	<u>318,947</u>	<u>(2,511)</u>	<u>316,436</u>	<u>311,194</u>	<u>5,242</u>
Learning and Language Disabled:					
Salaries of Teachers	666,463	148,333	814,796	643,849	170,947
Other Salaries for Instruction	409,857	135,304	545,161	538,763	6,398
General Supplies	11,085	(2,544)	8,541	8,541	-
Total Learning and Language Disabled	<u>1,087,405</u>	<u>281,093</u>	<u>1,368,498</u>	<u>1,191,153</u>	<u>177,345</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

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)					
Special Education - Instruction (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 386,713	\$ (6,000)	\$ 380,713	\$ 373,225	\$ 7,488
Other Salaries for Instruction	102,465	18,428	120,893	118,522	2,371
General Supplies	5,350	(3,736)	1,614	1,614	-
Total Behavioral Disabilities	<u>494,528</u>	<u>8,692</u>	<u>503,220</u>	<u>493,361</u>	<u>9,859</u>
Multiple Disabilities:					
Salaries of Teachers	613,352	(1,200)	612,152	600,485	11,667
Other Salaries for Instruction	478,166	(281,373)	196,793	187,895	8,898
General Supplies	3,900	3,538	7,438	7,438	-
Total Multiple Disabilities	<u>1,095,418</u>	<u>(279,035)</u>	<u>816,383</u>	<u>795,818</u>	<u>20,565</u>
Autism:					
Salaries of Teachers	273,891	(39,565)	234,326	229,732	4,594
Other Salaries for Instruction	213,540	(77,100)	136,440	133,755	2,685
General Supplies	2,700	1,182	3,882	3,882	-
Total Autism	<u>490,131</u>	<u>(115,483)</u>	<u>374,648</u>	<u>367,369</u>	<u>7,279</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	112,183	36,417	148,600	148,600	-
Other Salaries for Instruction	136,619	(10,200)	126,419	123,895	2,524
General Supplies	1,900	(521)	1,379	1,379	-
Total Preschool Disabilities - Part Time	<u>250,702</u>	<u>25,696</u>	<u>276,398</u>	<u>273,874</u>	<u>2,524</u>
Total Special Education - Instruction	<u>3,737,131</u>	<u>(81,548)</u>	<u>3,655,583</u>	<u>3,432,769</u>	<u>222,814</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	<u>656,479</u>	<u>243,507</u>	<u>899,986</u>	<u>888,097</u>	<u>11,889</u>
Total Basic Skills / Remedial - Instruction	<u>656,479</u>	<u>243,507</u>	<u>899,986</u>	<u>888,097</u>	<u>11,889</u>

(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2017

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	\$ 178,692	\$ 53,451	\$ 232,143	\$ 232,143	
Total Bilingual Education - Instruction	178,692	53,451	232,143	232,143	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	194,522	(38,137)	156,385	127,185	\$ 29,200
Salaries of Teachers		20,949	20,949	20,949	-
General Supplies	20,200	(6,417)	13,783	13,783	-
Other Objects	9,100	2,797	11,897	11,897	-
Total School Sponsored Cocurricular Activities - Instruction	223,822	(20,808)	203,014	173,814	29,200
School Sponsored Athletics - Instruction:					
Salaries	387,913	10,081	397,994	359,693	38,301
Purchased Services	29,000	(6,784)	22,216	22,216	-
General Supplies	60,000	(14,470)	45,530	40,356	5,174
Other Objects	32,900	11,807	44,707	44,707	-
Total School Sponsored Athletics - Instruction	509,813	634	510,447	466,972	43,475
Total Instruction	28,315,828	(815,697)	27,500,131	26,944,183	555,948

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

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	\$ 150,000	\$ 63,080	\$ 213,080	\$ 213,080	-
Tuition to Other LEA's Within State - Special	246,176	(26,225)	219,951	219,951	-
Tuition to County Voc. School Dist. - Regular	405,000	(9,405)	395,595	395,595	-
Tuition to CSSD & Reg. Day Schools	1,614,460	194,259	1,808,719	1,808,719	-
Tuition to Private Schools for the Disabled - Within State	303,558	471,394	774,952	774,952	-
Tuition to Priv Sch Disabled & Oth LEAs - Spl,O/S St	166,140	2,560	168,700	168,700	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,885,334</b>	<b>695,663</b>	<b>3,580,997</b>	<b>3,580,997</b>	<b>-</b>
Attendance and Social Work Services:					
Salaries	90,293		90,293	82,462	\$ 7,831
<b>Total Attendance and Social Work Services</b>	<b>90,293</b>	<b>-</b>	<b>90,293</b>	<b>82,462</b>	<b>7,831</b>
Undistributed Expenditures - Health Services:					
Salaries	544,224	(55,580)	488,644	478,727	9,917
Other Salaries		34,155	34,155	33,485	670
Purchased Professional and Technical Services	25,406	(1,215)	24,191	24,191	-
Supplies and Materials	13,813	(3,958)	9,855	9,854	1
Other Objects	2,100	129	2,229	2,226	3
<b>Total Undistributed Expenditures - Health Services</b>	<b>585,543</b>	<b>(26,469)</b>	<b>559,074</b>	<b>548,483</b>	<b>10,591</b>
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	560,883		560,883	548,985	11,898
Purchased Professional - Educational Services	163,620	12,592	176,212	176,212	-
Supplies and Materials	6,650	(765)	5,885	5,885	-
<b>Total Undistributed Expenditures - Other Support Services - Speech, OT, PT &amp; Related Services</b>	<b>731,153</b>	<b>11,827</b>	<b>742,980</b>	<b>731,082</b>	<b>11,898</b>

(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2017

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	\$ 1,598,570	\$ 343,114	\$ 1,941,684	\$ 1,887,220	\$ 54,464
Purchased Professional - Educational Services	720,384	(325,690)	394,694	394,694	-
Supplies and Materials	18,000	(14,766)	3,234	3,234	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary	2,336,954	2,658	2,339,612	2,285,148	54,464
Undistributed Expenditures - Other Support Services - Guidance:					
Salaries of Other Professional Staff	804,794	300	805,094	791,150	13,944
Salaries of Secretarial and Clerical Assistants	71,604	(1,200)	70,404	68,934	1,470
Supplies and Materials	7,462	1,402	8,864	8,864	-
Other Objects	1,320	1,756	3,076	3,076	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures - Other Support Services - Guidance	885,180	2,258	887,438	872,024	15,414
Undistributed Expenditures - Other Support Services - Child Study Teams:					
Salaries of Other Professional Staff	876,492	(54,035)	822,457	806,330	16,127
Salaries of Secretarial and Clerical Assistants	85,473		85,473	83,797	1,676
Other Salaries	220,769	(5,425)	215,344	155,048	60,296
Other Professional/Tech Services	36,058	415,065	451,123	451,123	-
Travel	2,750	(159)	2,591	2,591	-
Supplies and Materials	23,690	725	24,415	24,415	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures - Other Support Services - Child Study Teams	1,245,232	356,171	1,601,403	1,523,304	78,099
					(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2017

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	\$ 145,059	\$ (32,520)	\$ 112,539	\$ 112,533	\$ 6
Salaries of Secretarial and Clerical Assistants	62,246	(17,591)	44,655	43,778	877
Other Salaries	31,600	(6,800)	24,800	17,637	7,163
Total Undistributed Expenditures - Improvement of Instruction Services	<u>238,905</u>	<u>(56,911)</u>	<u>181,994</u>	<u>173,948</u>	<u>8,046</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	285,695	(37,968)	247,727	242,865	4,862
Salaries of Secretarial and Clerical Assistance		19,698	19,698	19,278	420
Salaries of Technology Coordinators	147,174		147,174	146,171	1,003
Library Media Services	6,925	766	7,691	7,691	-
Other Purchased Services	7,554	(430)	7,124	7,124	-
Supplies and Materials	27,955	(7,485)	20,470	20,469	1
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>475,303</u>	<u>(25,419)</u>	<u>449,884</u>	<u>443,598</u>	<u>6,286</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	197,757	37,555	235,312	200,113	35,199
Salaries of Secretarial and Clerical Assistance	26,590	8,125	34,715	34,033	682
Other Salaries	86,610	(34,610)	52,000	38,828	13,172
Purchased Professional-Education services	7,990	17,164	25,154	25,154	-
Other Purchased Services	106,105	(37,718)	68,387	68,386	1
Total Undistributed Expenditures - Instructional Staff Training Services	<u>425,052</u>	<u>(9,484)</u>	<u>415,568</u>	<u>366,514</u>	<u>49,054</u>

(Continued)



## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2017

	<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 of Other Professional Staff	\$ 426,893	\$ (107,860)	\$ 319,033	\$ 319,033	
Salaries of Secreterial and Clerical Assistance		100,949	100,949	100,948	\$ 1
Legal Services	160,000	31,236	191,236	191,236	-
Audit Fees	39,000		39,000	39,000	-
Architect/Engineer Fees	20,000	(20,000)			-
Other Purchased Professional Services	4,500	(460)	4,040	4,040	-
Purchased Technical Services	4,500	(4,500)			-
Communications / Telephone	101,720	(31,294)	70,426	70,426	-
Travel		1,782	1,782	1,782	-
BOE Other Purch. Serv	3,000	(52)	2,948	2,948	-
Misc Other Purchased Services	151,200	13,559	164,759	164,759	-
General Supplies	14,400	(3,283)	11,117	11,117	-
Miscellaneous Expenditures	5,150	4,839	9,989	9,989	-
BOE Membership Dues and Fees	25,000	380	25,380	25,380	-
Total Undistributed Expenditures - Support Services - General Admin	<u>955,363</u>	<u>(14,704)</u>	<u>940,659</u>	<u>940,658</u>	<u>1</u>
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals / Program Directors	1,901,208	(93,280)	1,807,928	1,807,927	1
Salaries of Secretarial and Clerical Assistants	770,864	1,600	772,464	760,738	11,726
Other Purchased Services (400-500 series)	33,500	4,906	38,406	38,405	1
Travel		1,256	1,256	1,136	120
General Supplies		19,605	19,605	19,605	-
Other Objects	34,083	7,500	41,583	32,457	9,126
Total Undistributed Expenditures - Support Services - School Admin.	<u>2,768,902</u>	<u>(87,660)</u>	<u>2,681,242</u>	<u>2,660,268</u>	<u>20,974</u>
					(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

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	\$ 500,129	\$ (500,129)			
Salaries of Other Professional Staff		242,246	\$ 242,246	\$ 242,246	
Salaries of Secreterial and Clerical Assistants		263,043	263,043	262,117	\$ 926
Purchased Professional Services	71,500	13,000	84,500	84,500	-
Purchased Technical Services	15,495	(444)	15,051	15,051	-
Travel		2,724	2,724	2,707	17
Miscellaneous Purchased Services	38,400	(4,733)	33,667	33,667	-
General Supplies		22,228	22,228	22,228	-
Interest on Lease Purchase Agreements	1,684	(1,684)			-
Miscellaneous Expenditures	9,715	(1,987)	7,728	7,728	-
Total Undistributed Expenditures - Central Services	<u>660,673</u>	<u>10,514</u>	<u>671,187</u>	<u>670,244</u>	<u>943</u>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	297,436	(297,436)			-
Salaries of Other Professional Staff		122,093	122,093	122,093	-
Salaries of Secreterial and Clerical Assistants		154,224	154,224	154,224	-
Other Salaries		20,060	20,060	12,640	7,420
Purchased Technical Services	431,431	16,297	447,728	447,728	-
Other Purchased Services	165,200	32,260	197,460	69,183	128,277
General Supplies	67,500	(31,968)	35,532	30,401	5,131
Total Undistributed Expenditures - Admin. Info. Technology	<u>961,567</u>	<u>15,530</u>	<u>977,097</u>	<u>836,269</u>	<u>140,828</u>
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Salaries	182,526	13,655	196,181	195,998	183
Cleaning, Repair and Maintenance Services	138,500	(5,019)	133,481	133,481	-
General Supplies	84,000	24,881	108,881	74,027	34,854
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>405,026</u>	<u>33,517</u>	<u>438,543</u>	<u>403,506</u>	<u>35,037</u>

(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Operation and Maintenance:					
of Plant Services:					
Salaries	\$ 2,617,692	\$ (2,617,692)			
Salaries of Other Professional Staff		130,896	\$ 130,896	\$ 130,895	\$ 1
Salaries of Secretarial and Clerical Assistants		31,488	31,488	30,871	617
Salaries of Non-Instructional Aides	274,765	1,000	275,765	268,184	7,581
Other Salaries		2,460,491	2,460,491	2,388,978	71,513
Cleaning, Repair and Maintenance Services	135,200	7,429	142,629	140,714	1,915
Other Purchased Property Services	72,000	11,653	83,653	83,653	-
Insurance	201,600	(23,721)	177,879	177,879	-
General Supplies	180,900	(38,628)	142,272	141,087	1,185
Energy (Natural Gas and Electricity)	993,000	39,658	1,032,658	1,032,658	-
Other Objects	4,000	(430)	3,570	3,570	-
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services</b>	<b>4,479,157</b>	<b>2,144</b>	<b>4,481,301</b>	<b>4,398,489</b>	<b>82,812</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	410,276	12,202	422,478	416,284	6,194
General Supplies	86,700	(29,276)	57,424	56,884	540
<b>Total Undistributed Expenditures - Care &amp; Upkeep Grounds</b>	<b>496,976</b>	<b>(17,074)</b>	<b>479,902</b>	<b>473,168</b>	<b>6,734</b>
Undistributed Expenditures - Security Services:					
Cleaning, Repair, and Maintenance Services	198,000	(26,598)	171,402	171,402	-
General Supplies	60,000	(41,066)	18,934	18,934	-
<b>Total Undistributed Expenditures - Security Services</b>	<b>258,000</b>	<b>(67,664)</b>	<b>190,336</b>	<b>190,336</b>	<b>-</b>

(Continued)

## TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2017

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		\$ 158,408	\$ 158,408	\$ 158,347	\$ 61
Salaries of Secreterial and Clerical Assistants		80,237	80,237	78,663	1,574
Salaries for Non-Instructional Aides	\$ 525,706	(225,094)	300,612	293,006	7,606
Sal for Pupil Trans (Bet Home & Sch) - Reg.	931,469	(83,850)	847,619	827,865	19,754
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	278,414	92,770	371,184	361,621	9,563
Sal for Pupil Trans (Other than Bet. Home & Sch)	240,032	(13,700)	226,332	214,414	11,918
Transportation Software	24,530	3,255	27,785	27,785	-
Cleaning, Repair and Maintenance Services	50,000	(15,090)	34,910	31,123	3,787
Lease Purchase Payments	117,935	(28,762)	89,173	89,173	-
Contracted Services - Aid in Lieu of Payments - NonPub Sch	140,000	24,705	164,705	164,705	-
Contracted Services - (Between Home and School) - Vendors	425,000	246,848	671,848	671,848	-
Contracted Services - (Other than Bet Home & Sch) - Vendors	25,000	66,314	91,314	91,314	-
Contracted Services - (Special Education) - Joint Agreement	400,000	360,940	760,940	760,940	-
Miscellaneous Purchased Services - Transportation	50,939	(11,935)	39,004	39,004	-
Transportation Supplies	322,415	(79,524)	242,891	230,959	11,932
Other Objects	18,125	(18,125)	-	-	-
Interest Payments		6,033	6,033	6,033	-
Miscellaneous Expenditures		7,115	7,115	7,115	-
Total Undistributed Expenditures - Student Transportation Services	<u>3,549,565</u>	<u>570,545</u>	<u>4,120,110</u>	<u>4,053,915</u>	<u>66,195</u>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	<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	\$ 80,939	\$ 975,939	\$ 975,539	\$ 400
Other Retirement Contributions - PERS	1,402,765	(6,333)	1,396,432	1,317,956	78,476
Workman's Compensation	470,000	(57,588)	412,412	412,412	-
Health Benefits	9,611,210	(580,489)	9,030,721	9,030,721	-
Tuition Reimbursement	20,000	(2,002)	17,998	17,998	-
Other Employee Benefits	15,000	(3,363)	11,637	11,519	118
Sick Time Payout Normal Retiree	100,000	138,490	238,490	238,490	-
<b>Total Unallocated Benefits</b>	<b>12,513,975</b>	<b>(430,346)</b>	<b>12,083,629</b>	<b>12,004,635</b>	<b>78,994</b>
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				2,961,996	(2,961,996)
On-behalf T.P.A.F. Non contributory Insurance (non-budgeted)				107,320	(107,320)
On-behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				4,987	(4,987)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,557,438	(2,557,438)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,067,375	(2,067,375)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,699,116</b>	<b>(7,699,116)</b>
<b>Total Undistributed Expenditures</b>	<b>36,948,153</b>	<b>965,096</b>	<b>37,913,249</b>	<b>44,938,164</b>	<b>(7,024,915)</b>
<b>Total Current Expense</b>	<b>65,263,981</b>	<b>149,399</b>	<b>65,413,380</b>	<b>71,882,347</b>	<b>(6,468,967)</b>
Capital Outlay:					
Interest Deposit to Capital Reserve	1	(1)			
Equipment:					
Grades 6-8		4,486	4,486	4,486	-
Grades 9-12		4,410	4,410	4,410	-
Undistributed Expenditures:					
Admin Info Tech		6,300	6,300	2,290	4,010
Custodial Services		25,594	25,594	25,593	1
Student Trans. Non-Inst. Equip.		25,697	25,697	25,697	-
<b>Total Equipment</b>	<b>1</b>	<b>66,486</b>	<b>66,487</b>	<b>62,476</b>	<b>4,011</b>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

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:					
Architectural/Engineering Services	\$ 70,100	\$ (70,100)			
Other Purchased Professional / Technical Services		16,760	\$ 16,760	\$ 15,873	\$ 887
Assesment for Debt Service on SDA Funding	147,841		147,841	147,841	-
Construction Services	167,400	1,356,130	1,523,530	780,924	742,606
Supplies and Materials	801,500	(724,965)	76,535	70,822	5,713
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,186,841</b>	<b>577,825</b>	<b>1,764,666</b>	<b>1,015,460</b>	<b>749,206</b>
<b>Total Capital Outlay</b>	<b>1,186,843</b>	<b>644,310</b>	<b>1,831,153</b>	<b>1,077,936</b>	<b>753,217</b>
Other Special Schools - Instruction:					
Salaries of Teachers	25,920	(3,000)	22,920	20,125	2,795
Other Salaries for Instruction	14,400		14,400	13,520	880
General Supplies	-	2,400	2,400	893	1,507
<b>Total Other Special Schools - Instruction</b>	<b>40,320</b>	<b>(600)</b>	<b>39,720</b>	<b>34,538</b>	<b>5,182</b>
Other Special Schools - Support Services:					
Salaries	53,280	(36,000)	17,280	15,525	1,755
Salaries of Principal and Assistant		28,800	28,800	27,128	1,672
Salaries of Secreterial and Clerical Assistant		7,800	7,800	7,650	150
<b>Total Other Special Schools - Support Services</b>	<b>53,280</b>	<b>600</b>	<b>53,880</b>	<b>50,303</b>	<b>3,577</b>
<b>Total Special Schools</b>	<b>93,600</b>	<b>-</b>	<b>93,600</b>	<b>84,841</b>	<b>8,759</b>
Transfer of Funds to Charter Schools	125,764	42,508	168,272	168,272	-
<b>Total Expenditures</b>	<b>66,670,188</b>	<b>836,217</b>	<b>67,506,405</b>	<b>73,213,396</b>	<b>(5,706,991)</b>

(Continued)

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2017

	<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	\$ (2,581,182)	\$ (836,218)	\$ (3,417,400)	\$ (753,320)	\$ (2,664,080)
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund - Regular	(538,780)	250,000	(288,780)	(288,780)	-
Operating Transfer Out - Food Service Fund Transfer to Cover Deficit	-	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(538,780)	50,000	(488,780)	(488,780)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,119,962)	(786,218)	(3,906,180)	(1,242,100)	(2,664,080)
Fund Balances, July 1	6,432,353	-	6,432,353	6,432,353	-
Fund Balances, June 30	\$ 3,312,391	\$ (786,218)	\$ 2,526,173	\$ 5,190,253	\$ (2,664,080)
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 408,088	
Excess Surplus				647,235	
Excess Surplus - Designated for Subsequent Year's Expenditures				696,369	
Assigned:					
Year-End Encumbrances				1,992,432	
Unassigned				1,446,129	
				5,190,253	
Reconciliation to Governmental Funds Statements (GAAP):					
Last 16-17 State Aid Payment Not Recognized on GAAP Basis				(2,162,604)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,027,649	

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2017

	<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>	\$ 9,088	\$ 9,088	\$ 4,930	\$ (4,158)
Total - Local Sources	<u>                    </u>	<u>9,088</u>	<u>9,088</u>	<u>4,930</u>	<u>(4,158)</u>
State Sources:					
NJ Non-Public Nursing	\$ 11,552	1,318	12,870	12,870	-
NJ Non-Public Textbook Aid	7,232	1,011	8,243	8,195	(48)
NJ Non-Public Technology	-	3,718	3,718	3,702	(16)
NJ Non-Public Home Instruction	898	3,745	4,643	4,643	-
NJ Non-Public Security	3,292	7,558	10,850	5,180	(5,670)
Chapter 192 - Auxiliary Services	39,696	7,199	46,895	36,918	(9,977)
Chapter 193 - Handicapped Services	65,286	7,099	72,385	71,396	(989)
Preschool Education Aid	819,272	<u>                    </u>	<u>819,272</u>	<u>804,596</u>	<u>(14,676)</u>
Total - State Sources	<u>947,228</u>	<u>31,648</u>	<u>978,876</u>	<u>947,500</u>	<u>(31,376)</u>
Federal Sources:					
Title I	516,861	89,634	606,495	583,169	(23,326)
Title IIA	90,051	11,741	101,792	91,849	(9,943)
Title III	14,639	11,362	26,001	15,098	(10,903)
Title III Immigrant	14,639	(5,481)	9,158	9,158	(9,158)
ROTC	<u>                    </u>	89,579	89,579	85,998	(3,581)
I.D.E.I.A., Part B	1,007,449	133,572	1,141,021	1,135,625	(5,396)
I.D.E.I.A., Part B, Preschool Incentive	35,000	1,097	36,097	35,609	(488)
Total - Federal Sources	<u>1,678,639</u>	<u>331,504</u>	<u>2,010,143</u>	<u>1,947,348</u>	<u>(62,795)</u>
Total Revenues	<u>2,625,867</u>	<u>372,240</u>	<u>2,998,107</u>	<u>2,899,778</u>	<u>(98,329)</u>

(Continued)



**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2017

	<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	\$ 952,863	\$ 81,070	\$ 1,033,933	\$ 960,572	\$ 73,361
Other Salaries for Instruction	274,578		274,578	184,575	90,003
Purchased Professional and Technical Services	220,708	(70,690)	150,018	129,355	20,663
Other Purchased Services	3,700	1,235	4,935	-	4,935
General Supplies	29,181	35,383	64,564	41,999	22,565
Tuition	997,449	141,229	1,138,678	1,138,678	-
Other Objects		9,182	9,182	3,110	6,072
<b>Total Instruction</b>	<u>2,478,479</u>	<u>197,409</u>	<u>2,675,888</u>	<u>2,458,289</u>	<u>217,599</u>
Support Services:					
Salaries Personal Services	282,163	72,890	355,053	262,049	93,004
Personal Services - Employee Benefits	332,054	(8,047)	324,007	323,319	688
Purchased Professional - Educational Services	12,232	58,451	70,683	51,951	18,732
Purchased Technical Services	-	77,559	77,559	79,059	(1,500)
Other Purchased Services (400-500 series)	45,000	(38,478)	6,522	8,807	(2,285)
Supplies and Materials	14,639	(13,328)	1,311	999	312
Other Objects	-	25,784	25,784	4,085	21,699
<b>Total Support Services</b>	<u>686,088</u>	<u>174,831</u>	<u>860,919</u>	<u>730,269</u>	<u>130,650</u>
<b>Total Expenditures</b>	<u>3,164,567</u>	<u>372,240</u>	<u>3,536,807</u>	<u>3,188,558</u>	<u>348,249</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	538,700		538,700	288,780	249,920
<b>Total Outflows</b>	<u>2,625,867</u>	<u>372,240</u>	<u>2,998,107</u>	<u>2,899,778</u>	<u>98,329</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<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, 2017

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	\$ 72,460,076	\$ 3,188,558
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		(1,831)
Prior Year		3,707
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)	2,133,845	70,620
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>(2,162,604)</u>	<u>(81,919)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 72,431,317</u>	<u>\$ 3,179,135</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 73,213,396	\$ 3,188,558
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		(1,831)
Prior Year		3,707
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 73,213,396</u>	<u>\$ 3,190,434</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 Four Plan Years

	<u>Measurement Date Ending June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1422886451%	0.1357273274%	0.1306388697%	0.1271431943%
School District's Proportionate Share of the Net Pension Liability	\$ 42,141,815	\$ 30,468,065	\$ 24,459,169	\$ 24,299,591
School District's Covered Payroll (Plan Measurement Period)	\$ 10,556,844	\$ 9,323,724	\$ 9,804,780	\$ 9,473,252
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	399.19%	326.78%	249.46%	256.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years

	<b>Fiscal Year Ended June 30,</b>			
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 1,384,240	\$ 1,264,072	\$ 1,166,891	\$ 1,076,968
Contributions in Relation to the Contractually Required Contribution	<u>(1,381,240)</u>	<u>(1,264,072)</u>	<u>(1,166,891)</u>	<u>(1,076,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 9,866,195	\$ 9,815,164	\$ 9,365,869	\$ 8,833,369
Contributions as a Percentage of School District's Covered Payroll	14.00%	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 Four Plan Years

	<b>Measurement Date Ending June 30,</b>			
	<u>2016</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%	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>	<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>211,608,201</u>	<u>166,634,271</u>	<u>150,528,448</u>	<u>139,598,239</u>
	<u>\$ 211,608,201</u>	<u>\$ 166,634,271</u>	<u>\$ 150,528,448</u>	<u>\$ 139,598,239</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 32,892,216	\$ 31,988,592	\$ 31,137,396	\$ 32,299,932
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	643.34%	520.92%	483.43%	432.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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 Ten 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, 2017

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**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.



**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, 2017

	<u>Total</u>	<u>Local Grants</u>	<u>Chapter 192</u>		<u>Chapter 193</u>			<u>Total Carried Forward</u>
			<u>Nonpublic Compensatory Education</u>	<u>Nonpublic Transportation</u>	<u>Nonpublic Examination and Classification</u>	<u>Nonpublic Corrective Speech</u>	<u>Nonpublic Supplementary Instruction</u>	
<b>REVENUES:</b>								
Federal Sources	\$ 1,947,348							\$ 1,947,348
State Sources	947,500		\$ 31,263	\$ 5,655	\$ 30,082	\$ 24,208	\$ 17,106	839,186
Local Sources	4,930	\$ 4,930						-
<b>Total Revenues</b>	<b>\$ 2,899,778</b>	<b>\$ 4,930</b>	<b>\$ 31,263</b>	<b>\$ 5,655</b>	<b>\$ 30,082</b>	<b>\$ 24,208</b>	<b>\$ 17,106</b>	<b>\$ 2,786,534</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ 960,572							\$ 960,572
Other Salaries for Instruction	184,575							184,575
Purchased Professional and Technical Services	129,355		\$ 31,263	\$ 5,655	\$ 30,082	\$ 24,208	\$ 17,106	21,041
General Supplies	41,999	\$ 3,931						38,068
Tuition	1,138,678							1,138,678
Other Objects	3,110							3,110
<b>Total Instruction</b>	<b>2,458,289</b>	<b>3,931</b>	<b>31,263</b>	<b>5,655</b>	<b>30,082</b>	<b>24,208</b>	<b>17,106</b>	<b>2,346,044</b>
<b>Support Services:</b>								
Salaries Personal Services	262,049							262,049
Personal Services - Employee Benefits	323,319							323,319
Purchased Professional - Educational Services	51,951							51,951
Purchased Technical Services	79,059							79,059
Other Purchased Services (400-500 series)	8,807							8,807
Supplies and Materials	999	999						-
Other Objects	4,085							4,085
<b>Total Support Services</b>	<b>730,269</b>	<b>999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>729,270</b>
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	-							-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>3,188,558</b>	<b>4,930</b>	<b>31,263</b>	<b>5,655</b>	<b>30,082</b>	<b>24,208</b>	<b>17,106</b>	<b>3,075,314</b>
<b>Other Financing Sources (Uses):</b>								
Transfer from Operating Budget - Pre K	288,780							288,780
<b>Total Outflows</b>	<b>2,899,778</b>	<b>4,930</b>	<b>31,263</b>	<b>5,655</b>	<b>30,082</b>	<b>24,208</b>	<b>17,106</b>	<b>2,786,534</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, 2017

	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	\$ 1,947,348							\$ 583,169	\$ 1,364,179
State Sources	839,186	\$ 4,643	\$ 8,195	\$ 3,702	\$ 12,870	\$ 5,180	\$ 804,596		-
Local Sources	-								-
<b>Total Revenues</b>	<b>\$ 2,786,534</b>	<b>\$ 4,643</b>	<b>\$ 8,195</b>	<b>\$ 3,702</b>	<b>\$ 12,870</b>	<b>\$ 5,180</b>	<b>\$ 804,596</b>	<b>\$ 583,169</b>	<b>\$ 1,364,179</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	\$ 960,572						\$ 456,670	\$ 421,508	\$ 82,394
Other Salaries for Instruction	184,575						184,575		-
Purchased Professional and Technical Services	21,041	\$ 4,643			\$ 12,870		3,528		-
General Supplies	38,068			\$ 3,702		\$ 5,180	4,377	12,424	12,385
Tuition	1,138,678								1,138,678
Other Objects	3,110								3,110
<b>Total Instruction</b>	<b>2,346,044</b>	<b>4,643</b>	<b>-</b>	<b>3,702</b>	<b>12,870</b>	<b>5,180</b>	<b>649,150</b>	<b>433,932</b>	<b>1,236,567</b>
<b>Support Services:</b>									
Salaries Personal Services	262,049						201,421	53,438	7,190
Personal Services - Employee Benefits	323,319						242,805	80,514	-
Purchased Professional - Educational Services	51,951		\$ 8,195					11,200	32,556
Purchased Technical Services	79,059								79,059
Other Purchased Services (400-500 series)	8,807								8,807
Supplies and Materials	-								-
Other Objects	4,085							4,085	-
<b>Total Support Services</b>	<b>729,270</b>	<b>-</b>	<b>8,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>444,226</b>	<b>149,237</b>	<b>127,612</b>
<b>Facilities Acquisition and Construction Services:</b>									
Instructional Equipment	-								-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>3,075,314</b>	<b>4,643</b>	<b>8,195</b>	<b>3,702</b>	<b>12,870</b>	<b>5,180</b>	<b>1,093,376</b>	<b>583,169</b>	<b>1,364,179</b>
<b>Other Financing Sources (Uses):</b>									
Transfer from Operating Budget - Pre K	288,780						288,780		-
<b>Total Outflows</b>	<b>2,786,534</b>	<b>4,643</b>	<b>8,195</b>	<b>3,702</b>	<b>12,870</b>	<b>5,180</b>	<b>804,596</b>	<b>583,169</b>	<b>1,364,179</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, 2017

	Total Carried Forward	Title II Part A	Title III	NJROTC	I.D.E.I.A. Part B Basic	I.D.E.I.A. Part B Preschool
<b>REVENUES:</b>						
Federal Sources	\$ 1,364,179	\$ 91,849	\$ 15,098	\$ 85,998	\$ 1,135,625	\$ 35,609
State Sources	-					
Local Sources	-					
<b>Total Revenues</b>	<b>\$ 1,364,179</b>	<b>\$ 91,849</b>	<b>\$ 15,098</b>	<b>\$ 85,998</b>	<b>\$ 1,135,625</b>	<b>\$ 35,609</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ 82,394			\$ 82,394		
Other Salaries for Instruction	-					
Purchased Professional and Technical Services	-					
General Supplies	12,385		\$ 11,891	494		
Tuition	1,138,678				\$ 1,103,069	\$ 35,609
Other Objects	3,110			3,110		
<b>Total Instruction</b>	<b>1,236,567</b>	<b>-</b>	<b>11,891</b>	<b>85,998</b>	<b>1,103,069</b>	<b>35,609</b>
<b>Support Services:</b>						
Salaries Personal Services	7,190	\$ 6,970	220			
Personal Services - Employee Benefits	-					
Purchased Professional - Educational Services	32,556				32,556	
Purchased Technical Services	79,059	79,059				
Other Purchased Services (400-500 series)	8,807	5,820	2,987			
Supplies and Materials	-					
Other Objects	-					
<b>Total Support Services</b>	<b>127,612</b>	<b>91,849</b>	<b>3,207</b>	<b>-</b>	<b>32,556</b>	
<b>Facilities Acquisition and Construction Services:</b>						
Instructional Equipment	-					
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,364,179</b>	<b>91,849</b>	<b>15,098</b>	<b>85,998</b>	<b>1,135,625</b>	<b>35,609.00</b>
<b>Other Financing Sources (Uses):</b>						
Transfer from Operating Budget - Pre K	-					
<b>Total Outflows</b>	<b>1,364,179</b>	<b>91,849</b>	<b>15,098</b>	<b>85,998</b>	<b>1,135,625</b>	<b>35,609</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Special Revenue Fund  
Preschool Education Aid Schedule - Budgetary Basis  
Year Ended June 30, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction			
Salaries of Teachers	\$ 460,251	\$ 456,670	\$ 3,581
Other Salaries for Instruction	184,578	184,575	3
Purchased Professional and Technical Services	4,225	3,528	697
Other Purchased Services	3,700	-	3,700
Supplies	5,250	4,377	873
	<u>658,004</u>	<u>649,150</u>	<u>8,854</u>
Total Instruction			
Support services			
Salaries Personal Services	202,163	201,421	742
Personal Services - Employee Benefits	242,805	242,805	-
Purchased Professional - Educational Services	5,000	-	5,000
	<u>449,968</u>	<u>444,226</u>	<u>5,742</u>
Total Support Services			
Total Expenditures			
	<u>\$ 1,107,972</u>	<u>\$ 1,093,376</u>	<u>\$ 14,596</u>

**Calculation of Budget and Carryover**

Total Revised 2016-2017 Preschool Education Aid Allocation	\$ 819,192
Add: Actual ECPA Carryover (June 30, 2016)	
Add: Budgeted Transfer from the General Fund 2016-2017	<u>288,780</u>
Total Preschool Education Aid Funds Available for 2016-2017 Budget	1,107,972
Less: 2016-2017 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(1,107,972)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2017	
Add: 2016-2017 Unexpended Preschool Education Aid	14,596
Less: 2016-2017 Commissioner Approved Transfer to General Fund	<u>-</u>
2016-2017 Carryover -- Preschool Education Aid	<u>\$ 14,596</u>
2016-2017 Preschool Education Aid Carryover Budgeted in 2017-2018	<u>\$ -</u>

**PROPRIETARY FUNDS**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Net Position  
 June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 183,965	\$ 6,605	\$ 190,570
Accounts Receivable:			
State	917		917
Federal	56,304		56,304
Other	111,923		111,923
Inventories	24,646		24,646
<b>Total Current Assets</b>	<b>377,755</b>	<b>6,605</b>	<b>384,360</b>
<b>Noncurrent Assets:</b>			
Equipment	661,159		661,159
Less Accumulated Depreciation	(506,221)		(506,221)
<b>Total Noncurrent Assets</b>	<b>154,938</b>	<b>-</b>	<b>154,938</b>
<b>Total Assets</b>	<b>532,693</b>	<b>6,605</b>	<b>539,298</b>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Interfund Payable	412,180		412,180
Accounts Payable	82,411		82,411
Compensated Absences Payable	2,337		2,337
<b>Total Current Liabilities</b>	<b>496,928</b>	<b>-</b>	<b>496,928</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	29,697		29,697
<b>Total Liabilities</b>	<b>526,625</b>	<b>-</b>	<b>526,625</b>
<b>NET POSITION:</b>			
Net Investment In Capital Assets	154,938		154,938
Unrestricted (Deficit)	(148,870)	6,605	(142,265)
<b>Total Net Position</b>	<b>\$ 6,068</b>	<b>\$ 6,605</b>	<b>\$ 12,673</b>



**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds		
	Food Service	Child Care Program	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 397,468		\$ 397,468
Daily Sales - Non-Reimbursable Programs	236,168		236,168
Special Functions	14,168		14,168
Community Service Activities		\$ 137,986	137,986
Miscellaneous		150	150
Total Operating Revenues	<u>647,804</u>	<u>138,136</u>	<u>785,940</u>
OPERATING EXPENSES:			
Salaries	814,871	99,907	914,778
Employee Benefits	193,979	16,764	210,743
Supplies and Materials	60,384	9,795	70,179
Cost of Sales - Reimbursable Programs	586,932		586,932
Cost of Sales - Non-Reimbursable Programs	90,884		90,884
Purchased Professional Services	10,370		10,370
Other Purchased Services		3,539	3,539
Office and Uniform Expense	6,875		6,875
Equipment	7,398		7,398
Repairs and Maintenance	22,019		22,019
Bank Charges	18,328		18,328
Insurance and Fees	22,046		22,046
Depreciation	30,463		30,463
Miscellaneous	1,908	1,526	3,434
Total Operating Expenses	<u>1,866,457</u>	<u>131,531</u>	<u>1,997,988</u>
Operating Income (Loss)	<u>(1,218,653)</u>	<u>6,605</u>	<u>(1,212,048)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	15,332		15,332
Federal Sources:			
National School Lunch Program	647,500		647,500
National School Breakfast Program	230,894		230,894
Healthy Hunger Free Kids Program	18,584		18,584
Special Milk Program	3,886		3,886
After School Snack Program	1,981		1,981
United States Department of Agriculture Commodities	101,043		101,043
Total Nonoperating Revenues	<u>1,019,220</u>	<u>-</u>	<u>1,019,220</u>
Income (loss) before contributions	<u>(199,433)</u>	<u>6,605</u>	<u>(192,828)</u>
Board Contribution	<u>200,000</u>		<u>200,000</u>
Change in Net Position	567	6,605	7,172
Net Position -- July 1	<u>5,501</u>	<u>-</u>	<u>5,501</u>
Net Position -- June 30	<u>\$ 6,068</u>	<u>\$ 6,605</u>	<u>\$ 12,673</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Proprietary Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 645,083	\$ 138,136	\$ 783,219
Payments to Employees	(822,281)	(99,907)	(922,188)
Payments for Employee Benefits	(193,979)	(16,764)	(210,743)
Payments to Suppliers	<u>(1,030,631)</u>	<u>(14,860)</u>	<u>(1,045,491)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,401,808)</u>	<u>6,605</u>	<u>(1,395,203)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Cash Received from State and Federal Reimbursements	913,001		913,001
Transfers from Other Funds	<u>200,000</u>		<u>200,000</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,113,001</u>	<u>-</u>	<u>1,113,001</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(288,807)	6,605	(282,202)
Cash and Cash Equivalents -- July 1	<u>472,772</u>		<u>472,772</u>
Cash and Cash Equivalents -- June 30	<u>\$ 183,965</u>	<u>\$ 6,605</u>	<u>\$ 190,570</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (1,218,653)	\$ 6,605	\$ (1,212,048)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	30,463		30,463
Federal Commodities	101,043		101,043
(Increase) Decrease in Inventories	(6,372)		(6,372)
(Increase) Decrease in Other Current Receivables	(2,721)		(2,721)
Increase (Decrease) in Other Current Liabilities	(298,158)		(298,158)
Increase (Decrease) in Compensated Absences Payable	<u>(7,410)</u>		<u>(7,410)</u>
Total Adjustments	<u>(183,155)</u>	<u>-</u>	<u>(183,155)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,401,808)</u>	<u>\$ 6,605</u>	<u>\$ (1,395,203)</u>

**FIDUCIARY FUNDS**

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2017

	<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	\$ 710,837	\$ 63,520	\$ 250,592	\$ 1,314,717	\$ 2,339,666
Total Assets	<u>710,837</u>	<u>63,520</u>	<u>\$ 250,592</u>	<u>\$ 1,314,717</u>	<u>2,339,666</u>
<b>LIABILITIES:</b>					
Net Payroll - Summer Salary Payable to Student Groups			\$ 250,592	\$ 1,314,717	1,314,717 250,592
Total Liabilities			<u>\$ 250,592</u>	<u>\$ 1,314,717</u>	<u>1,565,309</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purpose	<u>710,837</u>	<u>63,520</u>			<u>774,357</u>
Total Net Position	<u>\$ 710,837</u>	<u>\$ 63,520</u>			<u>\$ 2,339,666</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust Funds		
	New Jersey Unemployment Compensation Trust	Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 102,201		\$ 102,201
Gifts and Contributions		\$ 6,600	6,600
Total Contributions	102,201	6,600	108,801
Investment Earnings:			
Interest on Investments	2,925		2,925
Net Investment Earnings	2,925	-	2,925
Total Additions	105,126	6,600	111,726
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	84,717		84,717
Scholarships Awarded		3,500	3,500
Total Deductions	84,717	3,500	88,217
Change in Net Position	20,409	3,100	23,509
Net Position -- July 1	690,428	60,420	750,848
Net Position -- June 30	\$ 710,837	\$ 63,520	\$ 774,357

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

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	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
Total All Schools	<u>\$ 245,816</u>	<u>\$ 583,241</u>	<u>\$ 578,465</u>	<u>\$ 250,592</u>

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

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	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,249,337	\$ 24,876,807	\$ 24,811,427	\$ 1,314,717
Total Assets	<u>\$ 1,249,337</u>	<u>\$ 24,876,807</u>	<u>\$ 24,811,427</u>	<u>\$ 1,314,717</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 1,249,337	\$ 24,876,807	\$ 24,811,427	\$ 1,314,717
Total Liabilities	<u>\$ 1,249,337</u>	<u>\$ 24,876,807</u>	<u>\$ 24,811,427</u>	<u>\$ 1,314,717</u>

**LONG-TERM DEBT**



**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2017

<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, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding of Bonds 2016	3/23/16	\$ 7,490,000	2/1/18	\$ 1,210,000	2.000%	\$ 7,490,000		\$ 1,210,000	\$ 6,280,000
			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%				
					\$ 7,490,000	\$ -	\$ 1,210,000	\$ 6,280,000	

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2017

<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, 2016 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2017 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
School Bus Radios	4/1/13	5 Years	\$ 114,726	\$ 5,788	2.52%	\$ 23,514		\$ 23,514	
School Buses	7/15/15	5 Years	445,617	15,205	1.65%	365,617		89,173	\$ 276,444
Network Switches	7/15/15	3 Years	187,206	2,530	1.34%	125,647		62,405	63,242
						<u>\$ 514,778</u>	<u>\$ -</u>	<u>\$ 175,092</u>	<u>\$ 339,686</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, 2017

	<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	\$ 1,348,686	_____	\$ 1,348,686	\$ 1,348,686	_____
Total Revenues	<u>1,348,686</u>	<u>-</u>	<u>1,348,686</u>	<u>1,348,686</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	138,686	_____	138,686	138,686	_____
Redemption of Principal	1,210,000	_____	1,210,000	1,210,000	_____
Total Regular Debt Service	<u>1,348,686</u>	<u>_____</u>	<u>1,348,686</u>	<u>1,348,686</u>	<u>_____</u>
Total Expenditures	<u>1,348,686</u>	<u>_____</u>	<u>1,348,686</u>	<u>1,348,686</u>	<u>_____</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATISTICAL SECTION**

## **Financial Trends Information**

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 20,830,156	\$ 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
Restricted	1,760,961	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
Unrestricted (Deficit)	<u>(29,934,116)</u>	<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>
<b>Total Governmental Activities Net Position</b>	<u>\$ (7,342,999)</u>	<u>\$ (2,901,860)</u>	<u>\$ 1,781,449</u>	<u>\$ 27,722,121</u>	<u>\$ 28,211,169</u>	<u>\$ 26,754,828</u>	<u>\$ 26,730,672</u>	<u>\$ 26,563,414</u>	<u>\$ 27,754,052</u>	<u>\$ 25,666,316</u>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 154,938	\$ 185,401	\$ 62,923	\$ 80,380	\$ 85,016	\$ 102,054	\$ 125,610	\$ 151,934	\$ 172,171	\$ 184,662
Unrestricted (Deficit)	<u>(142,265)</u>	<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>
<b>Total Business-type Activities Net Position</b>	<u>\$ 12,673</u>	<u>\$ 5,501</u>	<u>\$ 135,226</u>	<u>\$ 162,587</u>	<u>\$ 214,853</u>	<u>\$ 307,946</u>	<u>\$ 379,106</u>	<u>\$ 326,672</u>	<u>\$ 279,736</u>	<u>\$ 285,024</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 20,985,094	\$ 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
Restricted	1,760,961	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
Unrestricted (Deficit)	<u>(30,076,381)</u>	<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>
<b>Total District-wide Net Position</b>	<u>\$ (7,330,326)</u>	<u>\$ (2,896,359)</u>	<u>\$ 1,916,675</u>	<u>\$ 27,884,708</u>	<u>\$ 28,426,022</u>	<u>\$ 27,062,774</u>	<u>\$ 27,109,778</u>	<u>\$ 26,890,086</u>	<u>\$ 28,033,788</u>	<u>\$ 25,951,340</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**  
 Changes in Net Position  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 23,716,666	\$ 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
Special Education	4,120,484	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
Other Special Education	1,855,323	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
Support Services:										
Tuition	4,719,675	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
Student & Instruction Related Services	7,725,862	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
General Administrative Services	940,658	992,939	1,042,134	906,535	787,983	725,628	851,976	1,043,778	959,160	1,175,881
School Administrative Services	2,802,716	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
Central Services	706,133	717,907	662,054					934,993	878,881	869,697
Administrative Information Technology	881,047	905,070	934,583					1,628,658	1,083,446	980,199
Plant Operations and Maintenance	5,583,065	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
Pupil Transportation	4,053,915	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
Unallocated Benefits	36,125,497	26,717,805	16,059,331							
Transfer to Charter School	168,272	139,758	105,349							
Special Schools	84,841	90,554								
Payment of Bond Issue Costs		115,069								
Interest on Long-Term Debt	257,439	416,030	516,141	412,220	746,255	396,350	625,053	664,383	701,415	744,807
Total Governmental Activities Expenses	<u>93,741,593</u>	<u>86,903,508</u>	<u>73,127,803</u>	<u>69,991,272</u>	<u>67,386,504</u>	<u>65,660,713</u>	<u>64,931,888</u>	<u>64,107,851</u>	<u>60,527,522</u>	<u>62,860,223</u>
Business-type Activities:										
Food Service	1,866,457	1,765,038	1,579,611	1,603,260	1,613,236	1,609,515	1,473,976	1,775,291	1,740,061	1,775,131
Childcare Program	131,531									
Total Business-type Activities Expense	<u>1,997,988</u>	<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>
Total District Expenses	<u>\$ 95,739,581</u>	<u>\$ 88,668,546</u>	<u>\$ 74,707,414</u>	<u>\$ 71,594,532</u>	<u>\$ 68,999,740</u>	<u>\$ 67,270,228</u>	<u>\$ 66,405,864</u>	<u>\$ 65,883,142</u>	<u>\$ 62,267,583</u>	<u>\$ 64,635,354</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 813,490	\$ 452,379	\$ 322,655	\$ 426,709	\$ 487,238	\$ 186,390	\$ 78,651	\$ 184,978	\$ 179,860	\$ 236,957
Operating Grants and Contributions	<u>2,890,355</u>	<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>
Total Governmental Activities Program Revenues	<u>3,703,845</u>	<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>
Business-type activities:										
Charges for services:										
Food Service	647,804	627,124	590,621	600,241	599,882	644,523	724,486	736,595	811,709	818,395
Childcare Program	138,136									
Operating Grants and Contributions	<u>1,019,220</u>	<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>
Total Business-type Activities Program Revenues	<u>1,805,160</u>	<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>
Total District Program Revenues	<u>\$ 5,509,005</u>	<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>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (90,037,748)	\$ (83,457,674)	\$ (70,069,521)	\$ (66,804,426)	\$ (63,549,267)	\$ (62,455,462)	\$ (61,106,329)	\$ (60,923,668)	\$ (57,219,503)	\$ (58,676,428)
Business-type Activities	<u>(192,828)</u>	<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>
Total District-wide Net Expense	<u>\$ (90,230,576)</u>	<u>\$ (83,587,399)</u>	<u>\$ (70,104,667)</u>	<u>\$ (66,860,540)</u>	<u>\$ (63,642,360)</u>	<u>\$ (62,526,622)</u>	<u>\$ (61,054,005)</u>	<u>\$ (61,149,138)</u>	<u>\$ (57,460,658)</u>	<u>\$ (58,979,852)</u>

(Continued)



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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 39,687,220	\$ 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
Taxes Levied for Debt Service	1,348,686	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
Unrestricted Grants and Contributions	44,648,119	30,730,259	29,487,727	28,755,543	28,765,803	27,613,694	25,201,387	25,072,474	26,115,401	24,471,551
Restricted Grants and Contributions						(27,682)	1,214,989			
Investment Earnings	5,760	2,528	696	600	772	483		27,986	64,388	219,093
Miscellaneous Income	106,824	112,448	315,337	232,313	106,914	381,402	166,561	254,586	23,853	36,076
Tuition										(4,142)
Transfers	(200,000)							(271,805)	271,805	(303,250)
<b>Total Governmental Activities</b>	<u>85,596,609</u>	<u>70,753,517</u>	<u>68,428,440</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>
Business-type Activities:										
Investment Earnings			7,785	3,848			110	601	429	6,097
Transfers	200,000							271,805	235,438	303,250
<b>Total Business-type Activities</b>	<u>200,000</u>	<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>
<b>Total District-wide</b>	<u>\$ 85,796,609</u>	<u>\$ 70,753,517</u>	<u>\$ 68,436,225</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>
<b>Change in Net Position</b>										
Governmental Activities	\$ (4,441,139)	\$ (12,704,157)	\$ (1,641,081)	\$ (489,048)	\$ 1,456,341	\$ 24,156	\$ 167,258	\$ (1,190,638)	\$ 2,594,979	\$ (1,083,438)
Business-type Activities	7,172	(129,725)	(27,361)	(52,266)	(93,093)	(71,160)	52,434	46,936	(5,288)	5,923
<b>Total District</b>	<u>\$ (4,433,967)</u>	<u>\$ (12,833,882)</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>

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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Restricted	\$ 1,751,692	\$ 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
Assigned	1,992,432	1,084,280	247,050	202,274	1,192,765	220,586	2,882,581			
Unassigned (Deficit)	<u>(716,475)</u>	<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>
Total General Fund	<u>\$ 3,027,649</u>	<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>
All Other Governmental Funds										
Restricted							\$ 925,092	\$ 1,453,159	\$ 87,954	\$ 51,224
Unassigned (Deficit), Reported in:										
Special Revenue Fund	\$ (81,919)	\$ (70,620)	\$ (83,332)	\$ (88,981)	\$ (101,839)	\$ (73,608)	(81,711)	(86,955)	(71,819)	(148,469)
Capital Projects Fund								134,541	24,767	774,767
Debt Service Fund	<u>9,269</u>	<u>9,269</u>					<u>450,369</u>			
Total All Other Governmental Funds	<u>\$ (72,650)</u>	<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>

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

Source: District Records

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Tax Levy	\$ 41,035,906	\$ 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
Tuition Charges	813,490	452,379	322,655	426,709	487,238	186,390	78,651	184,978	179,860	236,957
Interest Earnings	5,760	2,528	696	600	772	483		27,986	64,388	219,093
Miscellaneous	106,824	112,448	315,337	232,313	106,914	381,402	166,561	254,586	23,854	36,076
State Sources	32,606,584	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
Federal Sources	2,096,857	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
Local Sources	4,937	5,063	16,013	4,940	1,000	992				
<b>Total Revenue</b>	<b>76,670,358</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>Expenditures</b>										
Instruction										
Regular Instruction	22,651,872	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
Special Education Instruction	3,936,671	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
Other Special Instruction	1,761,026	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
Support Services:										
Tuition	4,719,675	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
Student & Instruction Related Services	7,349,614	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
General Administrative Services	940,658	992,939	1,042,134	906,535	787,983	725,628	739,435	793,813	727,632	849,884
School Administrative Services	2,660,268	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
Central Services	670,244	665,798	624,945	539,314	551,880	610,715	608,097	711,080	666,731	628,585
Administrative Information Technology	836,269	839,376	882,199	628,296	714,732	1,067,476	786,706	1,238,625	821,917	708,452
Plant Operations and Maintenance	5,465,499	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
Pupil Transportation	4,053,915	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
Unallocated Employee Benefits	20,027,070	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
Transfer to Charter School	168,272	139,758	105,349							
Special Schools	84,841	90,554								
Capital Outlay	930,095	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
Debt Service:										
Principal	1,210,000	1,100,000	1,050,000	1,010,000	965,000	925,000	885,000	850,000	780,000	998,000
Interest and Other Charges	286,527	606,710	533,641	431,030	474,980	517,090	557,380	596,025	631,905	680,556
<b>Total Expenditures</b>	<b>77,752,516</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>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,082,158)	(2,853,812)	(1,336,331)	745,533	3,007,978	(742,841)	(408,888)	(926,606)	2,031,695	(436,680)
<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	288,780	249,561	25,205					458,912	750,000	
Transfers Out	(488,780)	(249,561)	(25,205)					(730,717)	(985,438)	(303,250)
<b>Total Other Financing Sources (Uses)</b>	<b>(200,000)</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>Net Change in Fund Balances</b>	<b>\$ (1,282,158)</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>
Debt Service as a Percentage of Noncapital Expenditures	1.9%	2.3%	2.2%	2.1%	2.2%	2.3%	2.3%	2.3%	2.4%	2.7%
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>2017</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>
Interest on Investments								\$ 23,736	\$ 64,388	\$ 219,093
Interest on Investments- Capital Reserve								4,250		
Grant							\$ 1,000			
Prior Year Purchase Order Adjustments					\$ 2,212	\$ 182,601	20,015	42,409	15,951	32,111
Prior Year Tuition Adjustments						6,545	875			
Refunds	\$ 48,052	\$ 28,812	\$ 217,249	\$ 67,283	80,642	167,460	122,883			
Lease Purchase Agreement								210,000		
Miscellaneous	43,179	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	
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
Transportation	15,593	7,839	1,118	28,205						
Advertising Fees - School Buses				4,829						
	<u>\$ 106,824</u>	<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>

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

Fiscal Year Ended June 30,	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)
2017	\$ 52,731,900	\$ 1,842,888,000	\$ 7,088,400	\$ 418,300	\$ 768,412,600	\$ 17,394,700	\$ 101,531,200	\$ 2,790,465,100	\$ 409,490,500	\$ 6,172,001	\$ 2,796,637,101	\$ 2,788,013,393	\$ 1.497
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

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

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

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

Source: Municipal Tax Assessor

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**

Direct and Overlapping Property Tax Rates

Last Ten (Fiscal) Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended <u>June 30,</u>	District Direct Rate			Overlapping Rates			Total Direct and <u>Tax Rate</u>
	<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>	
2017	\$ 1.4191	\$ 0.048	\$ 1.467		\$ 0.810	\$ 0.631	\$ 2.908
2016	1.4670	0.048	1.419		0.809	0.599	2.914
2015	1.3701	0.052	1.422		0.805	0.593	2.820
2014	1.3229	0.050	1.373		0.805	0.566	2.744
2013	1.2495	0.051	1.300		0.793	0.586	2.679
2012	1.1973	0.050	1.247		1.057	0.919	3.223
2011	1.9843	0.010	1.927		1.192	0.919	4.038
2010	1.9840	0.010	1.994		1.357	0.947	4.298
2009	1.9800	0.010	1.990		1.210	1.002	4.202
2008	1.9430	0.010	1.953		1.119	0.942	4.014

(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	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Deptford Mall Associates	\$ 161,775,400	1	5.80%	\$ 85,515,900	1	5.01%
Walmart	21,300,000	7	0.76%			
Almonesson Associates - I				35,000,000	2	2.05%
Deptford Landing	33,819,600	2	1.21%			
AIG Baker				13,955,200	6	0.82%
Longfish Holdings	29,500,000	3	1.06%			
Almonesson Associates - II	18,000,000	8	0.65%	14,278,000	5	0.84%
Fargo Hotels	27,500,000	4	0.99%			
QRP Land II, LP				15,000,000	3	0.88%
Macy's Department Store	17,687,300	9	0.63%	14,300,000	4	0.84%
Sears & Roebuck & Co.				13,900,000	7	0.81%
Merion Locust Grove	26,317,200	5	0.94%			
Deptford Crossing				12,750,000	8	0.75%
Lowes Home Improvement Centers				11,000,000	10	0.64%
Bre RC	26,135,000	6	0.94%			
Bed Bath & Beyond	17,411,700	10	0.62%			
JC Penney				12,509,800	9	0.73%
<b>Total</b>	<b>\$ 379,446,200</b>		<b>13.61%</b>	<b>\$ 228,208,900</b>		<b>13.37%</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>	
2017	\$ 39,687,220	\$ 39,687,220	100.00%	-
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%	-

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

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

## **Debt Capacity Information**

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

**DEPTFORD TOWNSHIP BOARD OF EDUCATION**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>		
2017	\$ 6,280,000	N/A	\$ 339,686	N/A	N/A	\$ 6,619,686	N/A	\$ 50,006
2016	7,490,000	N/A	650,558	N/A	N/A	8,140,558	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

**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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2017	\$ 6,280,000	-	\$ 6,280,000	0.22%	\$ 50,006
2016	7,490,000	-	7,940,000	0.28%	44,868
2015	8,595,000	-	9,213,970	0.33%	44,868
2014	9,645,000	-	9,645,000	0.34%	44,868
2013	10,655,000	-	10,655,000	0.37%	42,228
2012	11,620,000	-	11,620,000	0.77%	N/A
2011	12,545,000	-	12,545,000	0.77%	N/A
2010	13,430,000	-	13,430,000	0.77%	N/A
2009	14,280,000	-	14,280,000	0.82%	N/A
2008	15,060,000	-	15,060,000	0.88%	39,040

**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, 2016  
 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	\$ 16,785,592	100.00%	\$ 16,785,592
Deptford Township MUA	11,823,502	100.00%	11,823,502
<b>Other debt</b>			
County of Gloucester	229,844,000	10.96%	<u>25,190,902</u>
Subtotal, overlapping debt			53,799,996
<b>Deptford Township School District Direct Debt</b>			<u>6,280,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 60,079,996</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 2017**

	Equalized valuation basis
	2016     \$ 2,698,165,700
	2015     2,787,356,337
	2014 <u>2,775,687,906</u>
	<u>\$ 8,261,209,943</u>
	Average equalized valuation of taxable property <u>\$ 2,753,736,648</u>
	Debt limit ( 4% of average equalization value) (1)     \$ 110,149,466
	Total Net Debt Applicable to Limit <u>6,280,000</u>
	Legal Debt Margin <u><u>\$ 103,869,466</u></u>

	Fiscal Year									
	<u>2017</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>
Debt limit	\$ 110,149,466	\$ 77,550,263	\$ 118,167,679	\$ 117,972,580	\$ 119,509,217	\$ 122,242,459	\$ 112,507,516	\$ 107,287,967	\$ 102,383,824	\$ 91,579,344
Total net debt applicable to limit	<u>6,280,000</u>	<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>
Legal debt margin	<u>\$ 103,869,466</u>	<u>\$ 69,610,263</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>
Total net debt applicable to the limit as a percentage of debt limit	5.70%	10.24%	9.02%	8.18%	8.92%	9.51%	11.15%	12.52%	13.95%	16.44%

(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>
2017	30,538	\$ 1,527,083,228	\$ 50,006	5.60%
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%

**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>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>
Inspira Health	1,825	1	15.79%	1,810	1	N/A
Kennedy Hospital	1,675	2	14.49%	1,035	5	N/A
Washington Township Public Schools	1,631	3	14.11%	1,609	2	N/A
Rowan University	1,483	4	12.83%	1,300	4	N/A
County of Gloucester	1,398	5	12.09%	1,600	3	N/A
MISSA Bay LLC	950	6	8.22%	750	9	N/A
Monroe Township School District	807	7	6.98%	773	8	N/A
U.S. Foodservices	725	8	6.27%	900	6	N/A
Direct Group			0.00%	850	7	7.35%
US Postal Service			0.00%	700	10	6.06%
Exxon Mobile Rearch & Development	540	9	4.67%			N/A
LaBrea Baker	525	10	4.54%			N/A
	<u>11,559</u>		<u>100.00%</u>	<u>11,327</u>		<u>13.41%</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>2017</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>
Instruction										
Regular	318	315	297	375	354	356	331	308	302	299
Special education	109	105	88	93	93	93	93	106	112	89
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	99	105	90	92	73	51	62	65	64	62
General administrative services	4	3	3	4	4	4	4	4	3	4
School administrative services	32	34	31	30	32	28	28	29	29	33
Business administrative services	7	13	11	18	18	18	18	18	18	18
Plant operations and maintenance	68	72	98	59	60	60	62	62	59	62
Pupil transportation	46	43	61	63	65	68	70	70	70	66
Special Schools	-									
Food Service	-	18	25	33	33	37	37	37	37	37
<b>Total</b>	<b>683</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>

**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				
2017	4,231	\$ 75,325,894	\$ 17,803.33	4.53%	381	1:12	1:09	1:09	4,315	4,100	-0.44%	95.02%
2016	4,328	73,713,549	17,031.78	16.54%	524	1:10	1:12	1:09	4,323	4,118	0.90%	95.26%
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%

**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>2017</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>
<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	667	592	592	592	592	569	587	601	625
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	359	392	392	392	412	412	414	428	404
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	512	497	497	497	459	412	426	423
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	16	22	22	22	21	21	25	27
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	416	375	375	380	380	413	400	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	279	276	276	276	243	255	231	273
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	416	546	546	546	535	517	491	499
<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	614	648	648	648	676	663	652	611
<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	1,037	985	985	985	1,023	1,070	1,085	1,145
<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, 2017				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>2017</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>
Deptford High School	N/A	\$ 145,263	\$ 88,499	\$ 91,147	\$ 76,874	\$ 157,725	\$ 205,316	\$ 172,974	\$ 170,695	\$ 156,305	\$ 169,446
Monongahela Middle School	N/A	64,561	36,891	36,951	34,167	31	6,679	6,542	55,929	64,684	67,963
Central Elementary School	N/A	68,596	29,513	29,561	32,032		2,486	6,219	28,006	26,269	30,429
Good Intent Elementary School	N/A	20,175	9,838	9,854	12,813		222	8,320	18,836	16,388	26,232
Lake Tract Elementary School	N/A	20,175	9,838	9,854	10,677	1,000	1,715	3,661	14,034	18,569	13,706
New Sharon Elementary School	N/A	4,035	4,919	4,927	2,135		222	1,867	6,625	5,525	4,186
Pine Acres Elementary School	N/A	24,210	14,757	14,781	12,813		3,639	8,244	15,040	18,388	21,111
Oak Valley Elementary School	N/A	24,210	14,757	14,781	12,813		1,559	10,259	19,207	18,468	17,297
Shady Lane Elementary School	N/A	32,281	24,594	24,634	19,219		958	17,796	33,946	30,916	32,770
District Wide	N/A		9,838	9,854							
<b>Total School Facilities</b>		<b>\$ 403,506</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>

\* 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, 2017  
*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, 2017. 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, in the County of Gloucester, 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, 2017.

### 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 1, 2017

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2017

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016	Unearned Revenue
					From	To		
General Fund:								
U.S. Department of Education								
Passed-through State Department of Education								
Medical Assistance Program (Medicaid):								
Special Education Medicaid Initiative (SEMI)	93.778	1705NJ5MAP	N/A	\$ 7,600	4-1-2009	12-31-2010		
Special Education Medicaid Initiative (SEMI)	93.778	1705NJ5MAP	N/A	143,620	7-1-2016	6-30-2017		
Total U.S. Department of Education							-	-
Total General Fund								
Special Revenue Fund:								
U.S. Department of Defense								
NJROTC								
NJROTC	12.401	N/A	N/A	175,753	7-1-2015	6-30-2016	\$ (22,120)	
NJROTC	12.401	N/A	N/A	89,186	7-1-2016	6-30-2017		
Total U.S. Department of Defense							(22,120)	-
U.S. Department of Education								
Passed-through State Department of Education								
N.C.L.B.:								
Title I, Part A Carryover								
Title I, Part A	84.010	S010A150030	NCLB267016	608,072	7-1-2015	6-30-2016	(894)	
Title I, Part A	84.010	S010A150030	NCLB267017	606,495	7-1-2016	6-30-2017		
Total Title I, Part A							(894)	-
Title II, Part A Carryover								
Title II, Part A	84.367	S367A150029	NCLB267016	105,942	7-1-2015	6-30-2016	(7,200)	
Title II, Part A	84.367	S367A150029	NCLB267017	101,792	7-1-2016	6-30-2017		
Total Title II, Part A							(7,200)	-
Title III Carryover								
Title III	84.365	S365A150030	NCLB267016	20,359	7-1-2015	6-30-2016	(2,454)	
Title III	84.365	S365A150030	NCLB267017	25,994	7-1-2016	6-30-2017		
Title III Immigrant	84.365	S365A150030	NCLB267017	9,158	7-1-2016	6-30-2017		
Total Title III							(2,454)	-
Title IV Carryover								
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:								
Basic Regular								
Basic Regular	84.027	H027A150100	IDEA267016	1,191,277	7-1-2015	6-30-2016	(5,959)	
Basic Regular	84.027	H027A150100	IDEA267017	1,141,021	7-1-2016	6-30-2017		
Part B Preschool								
ARRA - Basic Regular	84.173	H173A150114	IDEA267017	36,087	7-1-2016	6-30-2017		
ARRA - Basic Regular	84.391	H027A150100	IDEA267017	1,083,478	7-1-2009	9-30-2011	(1,276)	
Total I.D.E.A. Part B Special Education Cluster							(7,235)	-
Race to the Top - Preschool Development Expar								
Race to the Top - Preschool Development Expar	84.413A	B413A120008	N/A	44,200	7-1-2012	11-30-2015		
Include								
Include	84.318X	N/A	N/A	434,702	9-1-2010	8-31-2011	(59,470)	
Total U.S. Department of Education							(80,208)	8,499
U.S. Department of Health and Human Services								
Centers for Disease Control and Prevention								
Passed-through State Department of Education								
CDC Partnership								
CDC Partnership	93.079	N/A	IU87PS004149	5,000	8-1-2015	7-31-2016	(2,229)	
Total U.S. Department of Health and Human Services							(2,229)	-
Total Special Revenue Fund								
							(104,557)	8,499
Enterprise Fund:								
U.S. Department of Agriculture								
Cash Assistance:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
National School Lunch Program								
National School Lunch Program	10.555	16161NJ304N1099	N/A	645,728	7-1-2015	6-30-2016	(35,690)	
National School Lunch Program	10.555	171NJ304N1099	N/A	647,500	7-1-2016	6-30-2017		
National School Lunch Program - HHKFA								
National School Lunch Program - HHKFA	10.555	16161NJ304N1099	N/A	18,915	7-1-2015	6-30-2016	(1,027)	
National School Lunch Program - HHKFA	10.555	171NJ304N1099	N/A	18,584	7-1-2016	6-30-2017		
School Breakfast Program								
School Breakfast Program	10.553	16161NJ304N1099	N/A	222,772	7-1-2015	6-30-2016	(14,287)	
School Breakfast Program	10.553	171NJ304N1099	N/A	230,894	7-1-2016	6-30-2017		
Special Milk Program								
Special Milk Program	10.556	16161NJ304N1099	N/A	4,911	7-1-2015	6-30-2016	(189)	
Special Milk Program	10.556	171NJ304N1099	N/A	3,886	7-1-2016	6-30-2017		
After School Snack Program								
After School Snack Program	10.555	171NJ304N1099	N/A	1,981	7-1-2016	6-30-2017		
Non-Cash Assistance:								
Food Distribution Program								
Food Distribution Program	10.555	171NJ304N1603	N/A	101,043	7-1-2016	6-30-2017		
Total Child Nutrition Cluster							(51,193)	
Total Enterprise Fund								
							(51,193)	-
Total Federal Financial Assistance								
							\$ (155,750)	\$ 8,499

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, 2017			Due to Grantor at June 30, 2017
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue		
\$ 7,600	\$ 7,600		\$ 7,600						
143,620	143,620		143,620						
151,220	151,220	-	151,220	-	-	-	-	-	-
151,220	151,220	-	151,220	-	-	-	-	-	-
22,120			-						
89,186	85,998		85,998				\$ 3,188		
111,306	85,998	-	85,998	-	-	-	3,188		-
894									
480,453	583,169		583,169			\$ (102,716)			
481,347	583,169	-	583,169	-	-	(102,716)	-		-
7,200									
90,159	91,849		91,849			(1,690)			
97,359	91,849	-	91,849	-	-	(1,690)	-		-
2,454									
4,899	15,098		15,098			(10,199)			
-									
7,353	15,098	-	15,098	-	-	(10,199)	-		-
						(2,955)	\$ 8,499		
5,959									
760,096	1,135,625		1,135,625			(375,529)			
	35,609		35,609			(35,609)			
						(1,276)			
766,055	1,171,234	-	1,171,234	-	-	(412,414)	-		-
						(59,470)			
1,352,114	1,861,350	-	1,861,350	-	-	(589,444)	8,499		-
2,229									
2,229	-	-	-	-	-	-	-		-
1,465,649	1,947,348	-	1,947,348	-	-	(589,444)	11,687		-
35,690									
608,523		\$ 647,500	647,500			(38,977)			
1,027									
17,475		18,584	18,584			(1,109)			
14,287									
214,922		230,894	230,894			(15,972)			
189									
3,721		3,886	3,886			(165)			
1,900		1,981	1,981			(81)			
101,043		101,043	101,043						
998,777		1,003,888	1,003,888			(56,304)			
998,777	-	1,003,888	1,003,888	-	-	(56,304)	-		-
\$ 2,615,646	\$ 2,098,568	\$ 1,003,888	\$ 3,102,456	\$ -	\$ -	\$ (645,748)	\$ 11,687	\$ -	\$ -

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Expenditures of State Awards, Schedule B  
 For the Fiscal Year Ended June 30, 2017

State Grant/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2016		Carryover/ (Walkover) Amount
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor	
<b>General Fund:</b>								
New Jersey Department of Education:								
Current Expense:								
State Aid - Public Cluster:								
Equalization Aid	16-495-034-5120-078	\$ 20,154,580		7-1-2015	6-30-2016	\$ (1,805,023)		
Equalization Aid	17-495-034-5120-078	20,209,857		7-1-2016	6-30-2017			
School Choice	16-495-034-5120-068	126,182		7-1-2015	6-30-2016	(12,618)		
School Choice	17-495-034-5120-068	126,182		7-1-2016	6-30-2017			
Under Adequacy Aid	16-495-034-5120-094	12,894		7-1-2015	6-30-2016	(1,289)		
Under Adequacy Aid	17-495-034-5120-094	12,894		7-1-2016	6-30-2017			
Security Aid	16-495-034-5120-085	461,530		7-1-2015	6-30-2016	(46,153)		
Security Aid	17-495-034-5120-085	483,815		7-1-2016	6-30-2017			
Special Education Aid	16-495-034-5120-089	2,287,352		7-1-2015	6-30-2016	(228,735)		
Special Education Aid	17-495-034-5120-089	2,328,005		7-1-2016	6-30-2017			
PARCC Readiness Aid	16-495-034-5120-098	41,780		7-1-2015	6-30-2016	(4,178)		
PARCC Readiness Aid	17-495-034-5120-098	41,780		7-1-2016	6-30-2017			
Per Pupil Growth Aid	16-495-034-5120-097	41,780		7-1-2015	6-30-2016	(4,178)		
Per Pupil Growth Aid	17-495-034-5120-097	41,780		7-1-2016	6-30-2017			
Professional Learning Community Aid	17-495-034-5120-101	41,980		7-1-2016	6-30-2017			
Total State Aid - Public Cluster:						(2,102,174)	-	-
State Aid - Transportation:								
Transportation Aid	16-495-034-5120-014	316,708		7-1-2015	6-30-2016	(31,671)		
Transportation Aid	17-495-034-5120-014	365,085		7-1-2016	6-30-2017			
Nonpublic Transportation Aid	16-495-034-5120-015	42,947		7-1-2015	6-30-2016	(42,947)		
Nonpublic Transportation Aid	17-495-034-5120-015	38,106		7-1-2016	6-30-2017			
Total State Aid - Transportation:						(74,618)	-	-
Extraordinary Special Education Aid Costs								
Extraordinary Special Education Aid Costs	16-100-034-5120-473	268,256		7-1-2015	6-30-2016	(268,256)		
Extraordinary Special Education Aid Costs	17-100-034-5120-473	306,962		7-1-2016	6-30-2017			
Total Extraordinary Aid						(268,256)	-	-
Reimbursed T.P.A.F. Social Security								
Reimbursed T.P.A.F. Social Security	16-495-034-5095-002	2,106,028		7-1-2015	6-30-2016	(103,322)		
Reimbursed T.P.A.F. Social Security	17-495-034-5095-002	2,067,375		7-1-2016	6-30-2017			
Total Reimbursed T.P.A.F. Social Security						(103,322)	-	-
Total General Fund						(2,548,370)	-	-
<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			
Nursing Services	17-100-034-5120-070	12,870		7-1-2016	6-30-2017			
Textbook Aid (Ch. 194)	16-100-034-5120-064	8,508		7-1-2015	6-30-2016		\$ 168	
Textbook Aid (Ch. 194)	17-100-034-5120-064	8,243		7-1-2016	6-30-2017			
Technology	16-100-034-5120-373	3,874		7-1-2015	6-30-2016			85
Technology	17-100-034-5120-373	3,718		7-1-2016	6-30-2017			
Security	16-495-034-5120-084	3,775		7-1-2015	6-30-2016			75
Security	17-495-034-5120-084	7,150		7-1-2016	6-30-2017			
Home Instruction	Not Available	8,534		7-1-2015	6-30-2016	(8,534)		
Home Instruction	Not Available	4,642		7-1-2016	6-30-2017			
Auxiliary Services (Ch. 192)								
Compensatory Education	16-100-034-5120-067	38,071		7-1-2015	6-30-2016			8,715
English as a Second Language	16-100-034-5120-067	1,726		7-1-2015	6-30-2016			1,726
Transportation	16-100-034-5120-067	6,905		7-1-2015	6-30-2016			1,500
Auxiliary Services (Ch. 192)								
Compensatory Education	17-100-034-5120-067	39,415		7-1-2016	6-30-2017			
English as a Second Language	17-100-034-5120-067			7-1-2016	6-30-2017			
Transportation	17-100-034-5120-067	6,013		7-1-2016	6-30-2017			
Handicapped Services (Ch. 193)								
Examination & Classification	16-100-034-5120-066	31,702		7-1-2015	6-30-2016			8,687
Corrective Speech	16-100-034-5120-066	30,935		7-1-2015	6-30-2016			10,704
Supplemental Instruction	16-100-034-5120-066	17,079		7-1-2015	6-30-2016			967
Handicapped Services (Ch. 193)								
Examination & Classification	17-100-034-5120-066	30,443		7-1-2016	6-30-2017			
Corrective Speech	17-100-034-5120-066	24,208		7-1-2016	6-30-2017			
Supplemental Instruction	17-100-034-5120-066	17,734		7-1-2016	6-30-2017			
Total Nonpublic Aid:						(8,534)	32,627	-
Preschool Education Aid								
Preschool Education Aid	16-495-034-5120-086	706,200	\$ 249,561	7-1-2015	6-30-2016	(70,620)		
Preschool Education Aid	17-495-034-5120-086	819,192	288,780	7-1-2016	6-30-2017			
Total Preschool Education Aid						(70,620)	-	-
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					(73,824.00)	8,330	32,627	-
<b>Enterprise Fund:</b>								
National School Lunch Program (State Share)	16-100-010-3360-067	15,638		7-1-2015	6-30-2016	(852)		
National School Lunch Program (State Share)	17-100-010-3360-067	15,332		7-1-2016	6-30-2017			
Total Enterprise Fund						(852)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						\$ (2,540,892)	\$ 32,627	\$ -
Total State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Treasury:								
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	2,961,996		7-1-2016	6-30-2017			
On-behalf T.P.A.F. Pension Contributions - Non Contributory Insurance	495-034-5094-004	107,320		7-1-2016	6-30-2017			
On-behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance	495-034-5094-004	4,987		7-1-2016	6-30-2017			
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	495-034-5094-001	2,557,438		7-1-2016	6-30-2017			
Total General Fund (Non-Cash Assistance)						-	-	-
Total State Financial Assistance						\$ (2,540,892)	\$ 32,627	\$ -

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, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2017	Cumulative Total Expenditures
\$ 1,805,023									
18,391,406	\$ 20,209,857				\$ (1,818,451)			\$ (1,818,451)	\$ 20,209,857
12,618					(12,618)			(12,618)	126,182
113,564	126,182								126,182
1,289									12,894
11,605	12,894				(1,289)			(1,289)	12,894
46,153									483,815
435,433	483,815				(48,382)			(48,382)	483,815
228,735									2,328,005
2,095,204	2,328,005				(232,801)			(232,801)	2,328,005
4,178									41,780
37,602	41,780				(4,178)			(4,178)	41,780
4,178									41,780
37,602	41,780				(4,178)			(4,178)	41,780
37,782	41,980				(4,198)			(4,198)	41,980
23,262,372	23,286,293	-	-	-	(2,126,095)	-	-	(2,126,095)	23,286,293
31,671									
328,576	365,085				(36,509)			(36,509)	316,708
42,947	38,106				(38,106)				37,018
403,194	403,191	-	-	-	(74,615)	-	-	(36,509)	353,726
268,256	306,962				(306,962)				236,902
268,256	306,962	-	-	-	(306,962)	-	-	-	236,902
103,322									2,039,950
1,965,701	2,067,375				(101,674)				2,039,950
2,069,023	2,067,375	-	-	-	(101,674)	-	-	-	2,039,950
26,002,845	26,063,821	-	-	-	(2,609,346)	-	-	(2,162,604)	25,916,871
12,870	12,870								
8,243	8,195	\$ (168)					\$ 48		9,499
3,718	3,702	(85)					16		4,978
7,150	5,180	(75)					1,970		
8,534	4,642				(4,642)				
		(8,715)							36,728
		(1,726)							7,011
		(1,500)							36,728
39,415	31,263						8,152		7,011
6,013	5,655						358		
		(8,687)							23,959
		(10,704)							17,140
		(967)							14,203
30,443	30,082						361		
24,208	24,208						627		
17,734	17,107								
158,328	142,904	(32,627)	-	-	(4,642)	-	11,532	-	157,257
70,620									
1,026,053	1,093,376				(81,919)	\$ 14,596		(81,919)	1,093,376
1,096,673	1,093,376	-	-	-	(81,919)	14,596	-	(81,919)	1,093,376
						48,883			
					(3,000)				
					(3,000)	48,883	-	-	-
						32,288			
						3,239			
						35,527	-	-	-
						600			
						5,447			
						27			
						5,474	-	-	-
1,255,001	1,236,280	(32,627)	-	-	(89,561)	105,080	11,532	(81,919)	1,250,633
852									
14,415	15,332				(917)				15,938
15,267	15,332	-	-	-	(917)	-	-	-	15,938
\$ 27,273,113	\$ 27,315,433	\$ (32,627)	\$ -	\$ -	\$ (2,699,824)	\$ 105,080	\$ 11,532	\$ (2,244,523)	\$ 27,183,442
\$ 2,961,996	\$ 2,961,996								
107,320	107,320								
4,987	4,987								
2,557,438	2,557,438								
5,631,741	5,631,741	-	-	-	-	-	-	-	-
\$ 32,904,854	\$ 32,947,174	\$ (32,627)	\$ -	\$ -	\$ (2,699,824)	\$ 105,080	\$ 11,532	\$ (2,244,523)	\$ 27,183,442

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2017

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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 following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The 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 and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(28,759) for the general fund and \$(9,423) 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	\$ 151,220	\$ 26,063,821	\$ 26,215,041
Special Revenue	1,945,637	951,080	2,896,717
Food Service	1,003,888	15,332	1,019,220
Total Awards and Financial Assistance	<u>\$ 3,100,745</u>	<u>\$ 27,030,233</u>	<u>\$ 30,130,978</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 2015-2016.

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

During the fiscal year ended June 30, 2017, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs, and long-term disability insurance 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, 2017

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes x no

Significant deficiency(ies) identified? \_\_\_ yes x none reported

Noncompliance material to financial statements noted? \_\_\_ yes x no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes x no

Significant deficiency(ies) identified? \_\_\_ yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? \_\_\_ yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<b>Child Nutrition Cluster:</b>
<u>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program - HHFKA</u>
<u>10.556</u>	<u>171NJ304N1099</u>	<u>Special Milk Program</u>
<u>10.555</u>	<u>171NJ304N1603</u>	<u>Food Distribution Program</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>After School Snack Program</u>

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? x yes \_\_\_ no

**TOWNSHIP OF DEPTFORD SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2017

**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**

\_\_\_\_\_

**State Aid Public:** \_\_\_\_\_

495-034-5120-078

Equalization Aid

495-034-5120-089

Special Education Categorical Aid

495-034-5120-085

Security Aid

495-034-5120-068

School Choice

495-034-5095-094

Under Adequacy Aid

495-034-5120-098

PARCC Readiness Aid

495-034-5120-097

Per Pupil Growth Aid

495-034-5120-101

Professional Learning Community Aid

Dollar threshold used to determine Type A programs \$ 819,463

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, 2017

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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, 2017

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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, 2017

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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

