

**BOARD OF EDUCATION  
OF THE  
GLOUCESTER TOWNSHIP SCHOOL DISTRICT  
BLACKWOOD, NEW JERSEY**



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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION



## Gloucester Township Public Schools

**John Bilodeau**  
Superintendent of Schools

**Administrative Offices**  
17 Erial Road • Blackwood, NJ 08012 • 856-227-1400 • FAX 856-228-1422

December 1, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Gloucester 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is 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: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the 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. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

### **REPORTING ENTITY AND ITS SERVICES:**

The Gloucester Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Gloucester 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 K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an average daily enrollment of 6,359.9 students, which is 28.3 students less than the previous year's average enrollment.

The following details the changes in the student enrollment of the District over the last ten years.

#### **Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	6,359.9	-0.44%
2015-16	6,388.2	-2.23%
2014-15	6,534.0	-3.19%
2013-14	6,749.5	-2.77%
2012-13	6,941.8	-1.19%
2011-12	7,025.3	-4.29%
2010-11	7,340.3	-1.19%
2009-10	7,428.9	-1.41%
2008-09	7,535.3	-1.13%
2007-08	7,621.2	-1.70%
2006-07	7,753.2	

#### **ECONOMIC CONDITION AND OUTLOOK:**

Despite New Jersey's solid year of job growth in 2017, a recent survey of the state's certified public accountants suggests few of them believe economic conditions will improve much by next year. The results of the survey, released in July 2017 by the New Jersey Society of Certified Public Accountants, indicated just fewer than 25 percent of those who responded to the organization's member poll predicted economic conditions will get better by 2018. Instead, the overwhelming majority of the accountants who responded said they believe that conditions here will either stay the same or get worse, the survey found.

The results of the poll largely echo another recent survey of economic sentiment in the Garden State. In late June 2017 Rutgers University's Real Estate and Policy Research Consortium released the results of a poll of the state's top business leaders that found 64 percent of those surveyed believed economic conditions in New Jersey would stay the same or get worse over the next year.

Meanwhile, the CPA survey also spelled out the top recommendations and concerns of the state's accountants. They included property taxes, New Jersey's credit rating and perennial budget problems, and the potential implications of any healthcare changes that may be enacted at the federal level.

#### **INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure 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 structure 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 an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure 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 structure, 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.

**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 are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2017.

**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 Statements," Note 1.

**CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. 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.

**RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**BUSINESS OPERATIONS:**

The Gloucester Township School District is unique in that it actively finds ways to reduce administrative costs through joint purchasing, shared services and cooperative pricing agreements with neighboring school districts and municipalities.

The School District acts as lead agency for the purchase of Waste Removal and commodities for the regional high school district and the municipality. The District also participates in a statewide consortium for the purchase of electricity, natural gas, and telephone services.

In addition, the District continues to realize savings for the taxpayers by acting as lead agency for the joint purchasing system that has been in existence for the past nineteen years. This jointure provides purchasing services for the elementary school district, the regional high school district, the local municipality, and other surrounding school districts.

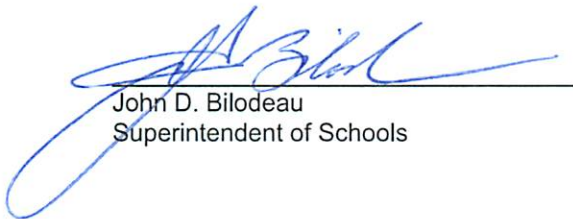
**INDEPENDENT AUDIT:**

State statutes require an annual audit by an independent public school accountant. The accounting firm of Bowman & Company LLP was selected by the Board's audit committee. 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 New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

The Auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

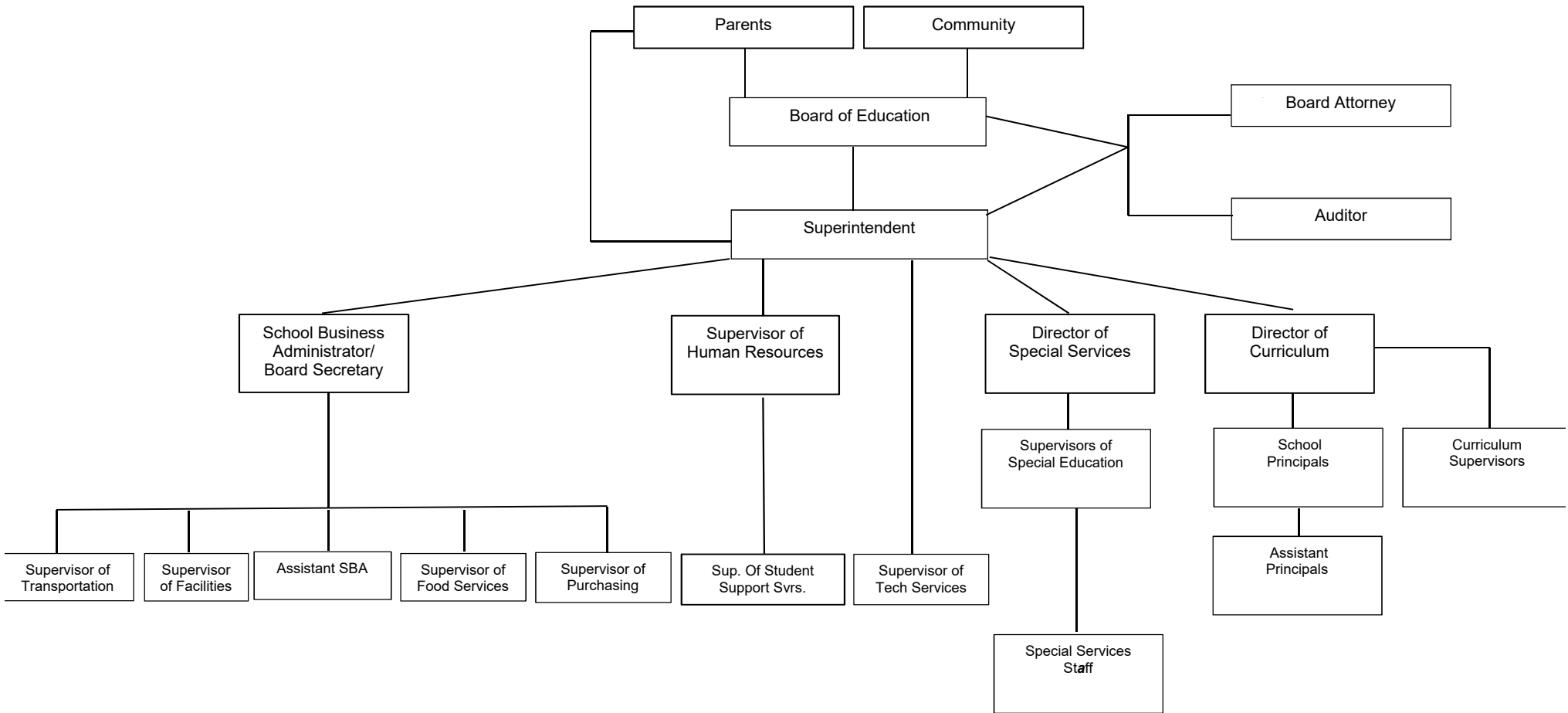
**ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Gloucester Township Board of Education for providing an outstanding educational program that includes fiscal responsibility and accountability to the citizens and taxpayers of Gloucester Township. The preparation of this report could not have been accomplished without the assistance and information provided by an outstanding administrative team.



John D. Bilodeau  
Superintendent of Schools

# GLOUCESTER TOWNSHIP SCHOOLS ORGANIZATIONAL CHART



**BOARD OF EDUCATION OF THE  
TOWNSHIP OF GLOUCESTER  
COUNTY OF CAMDEN  
STATE OF NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2017**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Mary Jo Dintino, President	2017
Mark Gallo, Vice President	2017
Tamara Jackson	2018
Mary Ann Johnson	2017
Susanne Reilly	2018
Deborah Simone	2018
Joseph Angeloni	2019
Jennifer O'Donnell	2019
Tracey Lynch	2019
 <b><u>Other Officials</u></b>	
John Bilodeau, Superintendent	
Jean Grubb, Business Administrator/Board Secretary	

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT  
COUNTY OF CAMDEN  
STATE OF NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

Daniel H. Long, Esq.  
Wade, Long, Wood & Long, LLC  
1250 Chews Landing Road  
Laurel Springs, NJ 08021

**OFFICIAL DEPOSITORY**

Columbia Bank  
19-01 Route 208  
Fair Lawn, NJ 07410

**INSURANCE ADVISOR/BROKER**

Connor Strong & Buckelew Companies, Inc.  
123 Rosenhayn Avenue  
PO Box 358  
Bridgeton, NJ 08302

## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

### **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 Gloucester Township School District, in the County of Camden, 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.

### **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 Gloucester Township School District, in the County of Camden, 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, and 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 Gloucester Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017 on our consideration of the Gloucester Township 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 Gloucester Township School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
November 28, 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  
Gloucester Township School District  
County of Camden

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 Gloucester Township School District, in the County of Camden, 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 November 28, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Gloucester Township 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 Gloucester Township 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, that we consider to be a significant deficiency: 2017-001.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gloucester Township 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 one instance of noncompliance or another matter that is 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, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding no. 2017-001.

### The Gloucester Township School District's Response to Findings

The Gloucester Township School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### 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  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
November 28, 2017

REQUIRED SUPPLEMENTARY INFORMATION  
PART I  
MANAGEMENT'S DISCUSSION AND ANALYSIS

# Gloucester Township School District

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

This section of the Gloucester Township School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2016-17) and the prior year (2015-16) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-17 fiscal year include the following:

- Net Position for Governmental and Business-Type activities were \$29,252,158 and \$1,504,574, totaling \$30,756,732.
- Net Position for both activities increased by \$1,741,005 from July 1, 2016 to June 30, 2017.
- The General Fund fund balance as of June 30, 2017 was \$18,440,975, an increase of \$1,409,823 when compared with the beginning balance of \$17,031,152 as of July 1, 2016.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Gloucester Township School District.

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Gloucester Township School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

Table A-1

**MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the District operates similar to private businesses: Food Service Fund, Latchkey Fund and Transportation Internal Service Fund
Required Financial Statements	Statements of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenue, expenditures and changes in fund balances	Statement of revenue, expenses and changes in fund net position
			Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**Government-wide Statements**

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

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**Government-wide Statements (Cont'd)**

The two government-wide statements report the Gloucester Township School District's net position and how they have changed. Net position – the District's assets and deferred outflows of resources, less deferred inflows of resources and liabilities – is a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Latchkey Program Fund are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**FINANCIAL ANALYSIS OF THE GLOUCESTER TOWNSHIP SCHOOL DISTRICT AS A WHOLE**

**Net Position.** The District's net position for **governmental and business-type activities** was \$29,252,158 and \$1,504,574, respectively, totaling \$30,756,732 as of June 30, 2017. (See Table A-2)

<b>Table A-2</b>				
<b>Gloucester Township School District's Net Position</b>				
	<b>2017</b>	<b>2016</b>	<b>Amount of Increase/ (Decrease)</b>	<b>Percent Increase/ (Decrease)</b>
Current and Other Assets	\$ 22,929,621	\$ 19,965,868	\$ 2,963,753	14.8%
Capital Assets	51,872,802	51,899,545	(26,743)	-0.1%
<b>Total Assets</b>	<b>74,802,423</b>	<b>71,865,413</b>	<b>2,937,010</b>	<b>4.1%</b>
<b>Deferred Outflow of Resources</b>	<b>12,378,643</b>	<b>5,931,444</b>	<b>6,447,199</b>	<b>100.0%</b>
Long-Term Liabilities	47,847,371	41,069,988	6,777,383	16.5%
Other Liabilities	7,167,854	6,044,451	1,123,403	18.6%
<b>Total Liabilities</b>	<b>55,015,225</b>	<b>47,114,439</b>	<b>7,900,786</b>	<b>16.8%</b>
<b>Deferred Inflow of Resources</b>	<b>1,409,109</b>	<b>1,666,691</b>	<b>(257,582)</b>	<b>-15.5%</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	43,704,834	41,204,523	2,500,311	6.1%
Restricted	14,992,909	12,827,598	2,165,312	16.9%
Unrestricted (Deficit)	(27,941,011)	(25,016,394)	(2,924,618)	11.7%
<b>Total Net Position</b>	<b>\$ 30,756,732</b>	<b>\$ 29,015,727</b>	<b>\$ 1,741,005</b>	<b>6.0%</b>

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$43,869,028.
  - ✓ Operating Grants & Contributions--\$39,832,915.
  - ✓ Charges for Services--\$4,036,113.
- General revenues totaled \$104,330,872.
- Loss on Disposal of Capital Assets was \$75,637.
- Net Expenditures were \$102,514,230.
- Total District revenues and beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$30,756,732 as of June 30, 2017.
- General revenues (\$104,330,872) + Beginning position (\$29,015,727) – Net expenditures (\$102,514,230) – Loss on Disposal of Capital Assets (\$75,637) = Net Position of \$30,756,732.



**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**Change in Net Position.** Net position for governmental and business-type activities increased by \$1,741,005 during the period from July 1, 2016 to June 30, 2017. (See Table A-3)

	2017	2016	Increase/ (Decrease)
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 4,036,113	\$ 3,800,085	\$ 236,028
Operating Grants and Contributions	39,832,915	30,044,274	9,788,641
General revenues			
Property taxes	49,690,238	47,583,252	2,106,986
State and Federal Aid	53,520,924	53,279,669	241,256
Other	1,119,709	1,013,781	105,929
Gain/(Loss) on Disposal of Capital Assets	(75,637)	(27,102)	(48,535)
<b>Total revenues</b>	<b>148,124,263</b>	<b>135,693,959</b>	<b>12,430,304</b>
<b>Expenses</b>			
Governmental Activities:			
Instruction:			
Regular	37,127,571	35,954,609	1,172,962
Special Education	10,074,220	10,046,573	27,647
Other Instruction	1,723,503	1,800,847	(77,344)
Non-Public School Programs	232	232	-
Community Service Programs	1,539	1,549	(10)
Support Services:			
Tuition	5,960,812	5,412,746	548,066
Student & Instruction Related Services	8,760,980	8,582,763	178,217
School Administrative Services	3,531,135	3,329,433	201,702
General and Business Administrative Services	3,362,920	3,279,119	83,800
Plant Operations and Maintenance	7,594,093	7,365,031	229,062
Pupil Transportation	8,121,945	8,045,834	76,111
Unallocated Benefits	54,708,520	42,891,639	11,816,881
Transfer to Charter Schools	1,485,113	1,600,693	(115,580)
Interest on Long-term Debt	226,553	358,783	(132,230.16)
Total Expenses--Governmental Activities	<u>142,679,135</u>	<u>128,669,851</u>	<u>14,009,285</u>
Business-Type Activities:			
Food Service	2,595,542	2,608,148	(12,606)
Latchkey	1,108,581	1,110,493	(1,913)
Total Expenses--Business-Type Activities	<u>3,704,123</u>	<u>3,718,642</u>	<u>(14,519)</u>
<b>Total Expenses</b>	<b>146,383,258</b>	<b>132,388,493</b>	<b>13,994,765</b>
<b>Net Increase/(Decrease) in Net Position</b>	<b>1,741,005</b>	<b>3,305,466</b>	<b>(1,564,461.32)</b>
<b>Net Position July 1</b>	<b>29,015,727</b>	<b>25,710,261</b>	<b>3,305,466</b>
<b>Net Position June 30</b>	<b>\$ 30,756,731</b>	<b>\$ 29,015,727</b>	<b>\$ 1,741,005</b>

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

Total revenues for the District were \$148,124,263. Government funding of \$93,353,839 was the source of 63.0% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$49,690,238 provided 33.5% of revenues.

Other miscellaneous revenues of \$1,119,709 represent 0.8% of the District revenues. Miscellaneous revenues were primarily provided from interest, rentals, homeless tuition and refunds.

Total revenues exceeded expenses for governmental and business-type activities, increasing net position by \$1,741,005 from the beginning balance as of July 1, 2016.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$54,887,877 (38.5%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$16,882,924 (11.8%) of total expenditures. (See Table A-4)

<b>Table A-4</b>		
<b>Gloucester Township School District's Net Cost of Governmental Activities</b>		
<b>For the Year Ended June 30, 2017</b>		
<b>Governmental Activities:</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction:		
Regular	\$37,127,570.83	\$34,438,733.50
Special Education	10,074,220	10,074,220
Other Instruction	1,723,503	1,723,503
Non-Public School Programs	232	232
Community Service Programs	1,539	1,539
Support Services:		
Tuition	5,960,812	5,960,812
Student & Instruction Related Services	8,760,980	8,165,547
School Administrative Services	3,531,135	3,531,135
General and Business Administrative Services	3,362,920	3,362,920
Plant Operations and Maintenance	7,594,093	7,594,093
Pupil Transportation	8,121,945	6,627,032
Unallocated Benefits	54,708,520	19,869,438
Transfer to Charter Schools	1,485,113	1,485,113
Interest on Long-term Debt	226,553	143,743
<b>Total Governmental Activities</b>	<b><u>\$142,679,135</u></b>	<b><u>\$102,978,061</u></b>

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**Activity Descriptions**

**Instruction expenses** include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

**Tuition expenses** include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

**Student and instruction related services** include the activities designed to assess and improve the well-being of students and to supplement the teaching process.

**School Administrative and General and Business Administrative services** include expenses associated with establishing and administering policy for the District including financial supervision.

**Plant operation and maintenance of plant activities** involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

**Pupil transportation** includes activities involved with the conveyance of students to and from school, as well as to and from student activities as provided by State law and Board Policy.

**Unallocated benefits** includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

**Interest on long-term debt and amortization of premiums/discounts** involve the transactions associated with the payment of interest and other related charges to the debt of the District.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The financial performance of the Gloucester Township School District as a whole is also reflected in the governmental funds which is accounted for using the modified accrual basis of accounting. As the District completed the 2016-17 school year, its governmental funds reported a combined fund balance of \$18,461,530. At the end of the 2015-16 school year, the fund balance was \$17,386,622.

All governmental funds had total revenues of \$120,434,644, total expenditures of \$116,765,976 and net other financing uses of \$2,593,759.

**GENERAL FUND BUDGETING HIGHLIGHTS**

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

The General Fund includes the primary operations of the District in providing educational services to students from Kindergarten through Grade 8 including pupil transportation activities and capital outlay projects.

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

The following schedule (Table A-5) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

<b>Table A-5</b>				
<b>Gloucester Township School District</b>				
<b>Summary of General Fund Revenues</b>				
	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local sources:				
Local Tax levy	\$47,270,580.00	\$45,456,852.00	\$ 1,813,728	4.0%
Miscellaneous	<u>1,117,966</u>	<u>1,011,897</u>	<u>106,068</u>	<u>10.5%</u>
Total - Local Sources	<u>48,388,546</u>	<u>46,468,749</u>	<u>1,919,796</u>	<u>4.1%</u>
State Sources	64,891,426	63,415,758	1,475,667	2.3%
Federal Sources	<u>228,997</u>	<u>201,522</u>	<u>27,475</u>	<u>13.6%</u>
Total - Govt Sources	<u>65,120,423</u>	<u>63,617,281</u>	<u>1,503,142</u>	<u>2.4%</u>
Total Revenues	<u><b>\$113,508,969</b></u>	<u><b>\$110,086,030</b></u>	<u><b>\$ 3,422,938</b></u>	<u><b>3.1%</b></u>

The primary source of funding for the District is received from State sources which accounted for 57.2% of total revenues. Local property taxes accounted for 41.6% of total revenues.

Total General Fund revenue increased by \$3,422,938, or 3.1% from the previous year.

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

The following schedule (Table A-6) presents a summary of General Fund expenditures and other financing uses. The summary reflects the dollar and percent increases (decreases) from the prior year.

<b>Table A-6</b>				
<b>Gloucester Township School District</b>				
<b>Summary of General Fund Expenditures</b>				
	<b>Year Ended June 30, 2017</b>	<b>Year Ended June 30, 2016</b>	<b>Amount of Increase/ (Decrease)</b>	<b>Percent Increase/ (Decrease)</b>
<b>Current:</b>				
Regular Instruction	\$ 33,368,327	\$ 32,099,776	\$ 1,268,551	4.0%
Special Education Instruction	10,074,220	10,046,573	27,647	0.3%
Other Instruction	1,718,798	1,797,245	(78,447)	-4.4%
Community Service Programs/Operations	1,539	1,549	(10)	-0.6%
<b>Support Services and Undistributed Costs:</b>				
Tuition	5,960,812	5,412,746	548,066	10.1%
Student & Instruction Related Services	8,151,409	8,042,043	109,366	1.4%
School Administrative Services	3,524,318	3,321,983	202,335	6.1%
Other Administrative Services	3,117,420	3,121,721	(4,300)	-0.1%
Plant Operations and Maintenance	6,848,097	6,668,791	179,306	2.7%
Pupil Transportation	7,021,914	6,552,667	469,246	7.2%
Unallocated Employee Benefits	17,322,119	16,818,563	503,555	3.0%
Transfer to Charter Schools	1,485,113	1,600,693	(115,580)	-7.2%
On-Behalf Payments (Non-Budget)	12,738,097	11,368,019	1,370,078	12.1%
Capital Outlay	1,684,411	374,790	1,309,621	349.4%
<b>Total Expenditures</b>	<b><u>\$ 113,016,594</u></b>	<b><u>\$ 107,227,160</u></b>	<b><u>\$ 5,789,433</u></b>	<b><u>5.4%</u></b>

Total General Fund expenditures increased \$5,789,433, or 5.4% from the previous year. This increase was due primarily to costs associated with regular instruction, capital outlay and on-behalf pension payments. In addition, the District experienced increased costs in both pupil transportation and employee health benefit premium rates.

The Gloucester Township Board of Education values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets were \$6,278,402 for the 2017-18 school year and \$5,795,666 for the 2016-17 school year. These fund balances serve a two-fold purpose; (a) they are designated to assist the District in moderating local tax rate impacts from one fiscal year to the next; and (b) they finance capital improvements to the District's physical plant. By illustration, \$700,000 was budgeted during the 2017-18 school year and \$800,000 was budgeted for the 2016-17 school year for capital expenditures.

Gloucester Township Public Schools has been proactive in its establishment and use of restricted reserve funds to satisfy capital projects as well as emergent issues as the need arises.

During the course of fiscal year 2017, the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$3,452,032, of which \$2,419,658 in funding was provided by the local tax levy and \$1,050,839 was received as state aid.

**FOOD SERVICE FUND**

The Food Service Fund had net position of \$355,938 as of June 30, 2017. This reflects an increase of \$84,982 from June 30, 2016.

**LATCH KEY FUND**

The Latchkey Fund had net position of \$1,148,636 as of June 30, 2017. This reflects an increase of \$380,254 from June 30, 2016.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Capital Assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2017, the District had capital assets with a book value of \$51,872,802. This consists of a broad range of capital assets, including land, school buildings, school buses, computer and audio-visual equipment, and administrative offices. Total depreciation expense for the year was \$2,393,358. (See Table A-7)

Table A-7						
Gloucester Township School District's Capital Assets						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 902,513.50	\$ 902,513.00			\$ 902,514	\$ 902,513
Construction in Progress	751,662	913,072			751,662	913,072
Land Improvements	5,102,596	5,102,596			5,102,596	5,102,596
Buildings and Improvements	77,544,501	76,718,917			77,544,501	76,718,917
Equipment	11,696,132	11,146,089	\$ 1,532,881	\$ 1,500,906	13,229,013	12,646,995
Total Capital Assets	95,997,405	94,783,187	1,532,881	1,500,906	97,530,285	96,284,094
Less:						
Accumulated Depreciation	(44,264,925)	(43,026,218)	(1,392,558)	(1,358,331)	(45,657,483)	(44,384,549)
<b>Net Capital Assets</b>	<b><u>\$ 51,732,480</u></b>	<b><u>\$ 51,756,969</u></b>	<b><u>\$ 140,323</u></b>	<b><u>\$ 142,575</u></b>	<b><u>\$ 51,872,802</u></b>	<b><u>\$ 51,899,545</u></b>

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**Long-term Obligations**

At year-end, the District had \$7,290,000 in general obligation bonds outstanding, a decrease of \$3,416,000 from the previous year. The net pension liability was \$40,434,969, an increase of \$9,087,556 from the previous year. (See Table A-8)

The District had a liability of \$2,378,367 for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

<b>Table A-8</b>				
<b>Gloucester Township School District</b>				
<b>Long Term Debt Schedule</b>				
	<b>Balance at</b>	<b>Balance at</b>	<b>Increase/</b>	<b>%</b>
	<b><u>June 30, 2017</u></b>	<b><u>June 30, 2016</u></b>	<b><u>(Decrease)</u></b>	<b><u>Change</u></b>
<b>Governmental Activities:</b>				
General Obligation Bonds Payable	\$ 7,290,000	\$ 10,706,000	\$ (3,416,000)	-31.9%
Obligations Under Capital Leases	567,485.00	-	567,485	100.0%
Net Pension Liability	40,434,969	31,347,413	9,087,556	29.0%
Compensated Absences	<u>2,218,719</u>	<u>2,051,583</u>	<u>167,136</u>	<u>8.1%</u>
	50,511,173	44,104,996	6,406,177	14.5%
<b>Business-type Activities:</b>				
Compensated Absences	<u>159,648</u>	<u>160,453</u>	<u>(805)</u>	<u>-0.5%</u>
<b>Total</b>	<b><u>\$ 50,670,821</u></b>	<b><u>\$ 44,265,449</u></b>	<b><u>\$ 6,405,372</u></b>	<b><u>14.5%</u></b>

**THE FUTURE OUTLOOK**

The Gloucester Township School District presently maintains a sound financial condition. However, without additional financial resources this financial condition could diminish. The State of New Jersey continues to cope with a consistent school aid formula which is equitable for all districts. For the past several years state school aid has not grown and has essentially been flat for local school districts. Additionally, local school districts, by statute, cannot raise the local tax levy base by more than 102% of the previous year. This combination of flat funding from the state and local tax levy capping will, in time, result in appropriation reductions which ultimately will impact student performance.

The over-reliance on property taxes to support the schools in Gloucester Township is an annual concern for both the Board of Education and its Administration. Recent budgets have been benefited from the infusion of millions of dollars of unassigned fund balance which were a direct result of a Board of Education which has been committed to financial excellence for many years. The Board of Education's system for financial planning, budgeting and capital improvements is well regarded. The Board of Education is committed to continually improving upon its fiscal management processes and to meeting the challenges of the future.

**Gloucester Township School District  
Gloucester Township, New Jersey**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended June 30, 2017**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Jean Grubb, School Business Administrator at: Gloucester Township School District, 17 Erial Road, Blackwood, New Jersey 08012.



## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,579,357.02	\$ 1,567,443.07	\$ 7,146,800.09
Receivables, net	6,581,605.19	94,429.38	6,676,034.57
Inventory		21,825.10	21,825.10
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,760,475.00		1,760,475.00
Capital Reserve Account - Cash	7,324,485.81		7,324,485.81
Capital Assets, net	<u>51,732,479.50</u>	<u>140,322.70</u>	<u>51,872,802.20</u>
Total Assets	<u>72,978,402.52</u>	<u>1,824,020.25</u>	<u>74,802,422.77</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Deferred Loss on Refunding of Debt Related to Pensions	72,370.87		72,370.87
	<u>12,306,272.00</u>		<u>12,306,272.00</u>
Total Deferred Outflows of Resources	<u>12,378,642.87</u>	<u>-</u>	<u>12,378,642.87</u>
<b>LIABILITIES:</b>			
Accounts Payable	3,136,661.50	32,927.83	3,169,589.33
Payable to State Government	86,617.00		86,617.00
Estimated Worker's Compensation Claims Payable	474,214.50		474,214.50
Unearned Revenue	16,479.80	126,870.66	143,350.46
Accrued Interest Payable	87,778.77		87,778.77
Noncurrent Liabilities:			
Due within One Year	3,206,303.16		3,206,303.16
Due beyond One Year	<u>47,687,723.77</u>	<u>159,648.00</u>	<u>47,847,371.77</u>
Total Liabilities	<u>54,695,778.50</u>	<u>319,446.49</u>	<u>55,015,224.99</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions	<u>1,409,109.00</u>	<u>-</u>	<u>1,409,109.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	43,564,510.94	140,322.70	43,704,833.64
Restricted for:			
Capital Projects	7,324,485.81		7,324,485.81
Other Purposes	7,668,423.60		7,668,423.60
Unrestricted (Deficit)	<u>(29,305,262.46)</u>	<u>1,364,251.06</u>	<u>(27,941,011.40)</u>
Total Net Position	<u>\$ 29,252,157.89</u>	<u>\$ 1,504,573.76</u>	<u>\$ 30,756,731.65</u>

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

**GLOUCESTER TOWNSHIP 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	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 37,127,570.83		\$ 2,688,837.33		\$ (34,438,733.50)		\$ (34,438,733.50)
Special Education	10,074,219.98				(10,074,219.98)		(10,074,219.98)
Other Special Instruction	250,120.44				(250,120.44)		(250,120.44)
Other Instruction	1,473,382.83				(1,473,382.83)		(1,473,382.83)
Nonpublic School Programs	232.17				(232.17)		(232.17)
Community Services Programs / Operations	1,539.00				(1,539.00)		(1,539.00)
<b>Support Services:</b>							
Tuition	5,960,811.82				(5,960,811.82)		(5,960,811.82)
Student and Instruction Related Services	8,760,979.80		595,432.76		(8,165,547.04)		(8,165,547.04)
School Administrative Services	3,531,135.47				(3,531,135.47)		(3,531,135.47)
General and Business Administrative Services	3,362,919.73				(3,362,919.73)		(3,362,919.73)
Plant Operations and Maintenance	7,594,093.29				(7,594,093.29)		(7,594,093.29)
Pupil Transportation	8,121,944.55	\$ 1,494,913.00			(6,627,031.55)		(6,627,031.55)
Unallocated Benefits	54,708,519.60		34,839,081.47		(19,869,438.13)		(19,869,438.13)
Transfer to Charter School	1,485,113.00				(1,485,113.00)		(1,485,113.00)
Interest on Long-Term Debt	226,552.84		82,809.60		(143,743.23)		(143,743.23)
<b>Total Governmental Activities</b>	<b>142,679,135.35</b>	<b>1,494,913.00</b>	<b>38,206,161.16</b>	<b>-</b>	<b>(102,978,061.18)</b>	<b>-</b>	<b>(102,978,061.18)</b>
<b>Business-Type Activities:</b>							
Food Service	2,595,542.03	1,053,509.38	1,626,753.43			\$ 84,720.78	84,720.78
Latchkey	1,108,580.59	1,487,690.55				379,109.96	379,109.96
<b>Total Business-Type Activities</b>	<b>3,704,122.62</b>	<b>2,541,199.93</b>	<b>1,626,753.43</b>	<b>-</b>	<b>-</b>	<b>463,830.74</b>	<b>463,830.74</b>
<b>Total Government</b>	<b>\$ 146,383,257.97</b>	<b>\$ 4,036,112.93</b>	<b>\$ 39,832,914.59</b>	<b>\$ -</b>	<b>(102,978,061.18)</b>	<b>463,830.74</b>	<b>(102,514,230.44)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, net					47,270,580.00		47,270,580.00
Taxes Levied for Debt Service					2,419,658.00		2,419,658.00
Federal and State Aid not Restricted					53,520,924.49		53,520,924.49
Investment Earnings					22,630.41	1,405.41	24,035.82
Miscellaneous Income					1,095,673.53		1,095,673.53
Loss on Disposal of Capital Assets					(75,636.68)		(75,636.68)
<b>Total General Revenues and Loss on Disposal of Capital Assets</b>					<b>104,253,829.75</b>	<b>1,405.41</b>	<b>104,255,235.16</b>
<b>Change in Net Position</b>					<b>1,275,768.56</b>	<b>465,236.15</b>	<b>1,741,004.71</b>
<b>Net Position -- July 1</b>					<b>27,976,389.32</b>	<b>1,039,337.61</b>	<b>29,015,726.93</b>
<b>Net Position -- June 30</b>					<b>\$ 29,252,157.88</b>	<b>\$ 1,504,573.76</b>	<b>\$ 30,756,731.64</b>

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

FUND FINANCIAL STATEMENTS

**GLOUCESTER TOWNSHIP 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	\$ 6,336,533.60		\$ 349,964.09		\$ 6,686,497.69
Interfund Accounts Receivable	1,434,275.76			\$ 20,554.98	1,454,830.74
Receivables from Other Governments	5,414,469.38	\$ 743,480.00			6,157,949.38
Restricted Cash and Cash Equivalents	7,324,485.81				7,324,485.81
	<u>20,509,764.55</u>	<u>743,480.00</u>	<u>349,964.09</u>	<u>20,554.98</u>	<u>21,623,763.62</u>
Total Assets	<u>\$ 20,509,764.55</u>	<u>\$ 743,480.00</u>	<u>\$ 349,964.09</u>	<u>\$ 20,554.98</u>	<u>\$ 21,623,763.62</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 1,681,675.69	\$ 188,203.55			\$ 1,869,879.24
Interfund Accounts Payable	20,554.98	452,179.65	\$ 349,964.09		822,698.72
Estimated Worker's Compensation Claims Payable	366,558.50				366,558.50
Payable to State Government		86,617.00			86,617.00
Unearned Revenue		16,479.80			16,479.80
	<u>2,068,789.17</u>	<u>743,480.00</u>	<u>349,964.09</u>	<u>-</u>	<u>3,162,233.26</u>
Total Liabilities	<u>2,068,789.17</u>	<u>743,480.00</u>	<u>349,964.09</u>	<u>-</u>	<u>3,162,233.26</u>
Fund Balances:					
Restricted:					
Debt Service				\$ 20,554.98	20,554.98
Capital Reserve Account	7,324,485.81				7,324,485.81
Maintenance Reserve Account	745,889.58				745,889.58
Emergency Reserve Account	664,621.33				664,621.33
Tuition	200,000.00				200,000.00
Tuition--Designated for Subsequent Year's Expenditures	200,000.00				200,000.00
Excess Surplus--Current Year	479,510.69				479,510.69
Excess Surplus--Designated for Subsequent Year's Expenditures	5,378,402.00				5,378,402.00

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Governmental Funds  
Balance Sheet  
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES AND FUND BALANCES (CONTINUED):</b>					
Fund Balances (Continued):					
Assigned:					
Other Purposes	\$ 474,619.53				\$ 474,619.53
Designated for Subsequent Year's Expenditures--SEMI/ARRA	23,438.21				23,438.21
Unassigned	<u>2,950,008.23</u>				<u>2,950,008.23</u>
Total Fund Balances	<u>18,440,975.38</u>	-	-	\$ 20,554.98	18,461,530.36
Total Liabilities and Fund Balances	<u>\$ 20,509,764.55</u>	<u>\$ 743,480.00</u>	<u>\$ 349,964.09</u>	<u>\$ 20,554.98</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
The Internal Service Fund is used to account for the financing of student transportation services to the district and other school districts. Student transportation services are governmental activities. This amount is the unrestricted net position in the Internal Service Fund.					
					313,864.86
Interest on long-term debt in the statement of activities is accrued, regardless of when due.					
					(87,778.77)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$95,997,404.74, and the accumulated depreciation is \$44,264,925.24.					
					51,732,479.50
Deferred loss on refunding of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.					
					72,370.87
Long-term liabilities, including bonds payable, compensated absences payable, capital leases payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					(50,894,026.93)
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.					
					10,897,163.00
Accounts Payable related to the April 1, 2018 Required PERS pension contribution that is not to be liquidated with current financial resources.					
					<u>(1,243,445.00)</u>
Net position of governmental activities					<u>\$ 29,252,157.89</u>

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

**GLOUCESTER TOWNSHIP 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	\$ 47,270,580.00			\$ 2,419,658.00	\$ 49,690,238.00
Miscellaneous	1,117,965.53		\$ 338.41		1,118,303.94
State Sources	64,891,425.85	\$ 529,566.42		1,050,839.00	66,471,831.27
Federal Sources	228,997.18	2,925,273.20			3,154,270.38
Total Revenues	<u>113,508,968.56</u>	<u>3,454,839.62</u>	<u>338.41</u>	<u>3,470,497.00</u>	<u>120,434,643.59</u>
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	33,368,327.14	2,688,837.33			36,057,164.47
Special Education Instruction	10,074,219.98				10,074,219.98
Other Special Instruction	245,415.00				245,415.00
Other Instruction	1,473,382.83				1,473,382.83
Community Service Programs/Operations	1,539.00				1,539.00
Support Services and Undistributed Costs:					
Tuition	5,960,811.82				5,960,811.82
Student and Instruction Related Services	8,151,409.15	595,432.76			8,746,841.91
School Administrative Services	3,524,317.98				3,524,317.98
Other Administrative Services	3,117,420.31			102,594.15	3,220,014.46
Plant Operations and Maintenance	6,848,096.92				6,848,096.92
Pupil Transportation	3,758,075.78				3,758,075.78
Unallocated Benefits	30,060,216.10				30,060,216.10
Transfer to Charter School	1,485,113.00				1,485,113.00
Debt Service:					
Principal				3,180,000.00	3,180,000.00
Interest and Other Charges				272,031.55	272,031.55
Capital Outlay	<u>1,684,410.97</u>	<u>170,569.53</u>	<u>3,755.00</u>		<u>1,858,735.50</u>
Total Expenditures	<u>109,752,755.98</u>	<u>3,454,839.62</u>	<u>3,755.00</u>	<u>3,554,625.70</u>	<u>116,765,976.30</u>

(Continued)



**GLOUCESTER TOWNSHIP 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
Excess (Deficiency) of Revenues over Expenditures	\$ 3,756,212.58	-	\$ (3,416.59)	\$ (84,128.70)	\$ 3,668,667.29
OTHER FINANCING SOURCES (USES):					
Capital Leases (Non-Budgeted)	567,485.00				567,485.00
Proceeds of Refunding Bonds				4,570,000.00	4,570,000.00
Premium on Refunding Bonds				426,620.15	426,620.15
Payment to Refunded Bond Escrow Account				(4,894,026.00)	(4,894,026.00)
Operating Transfers In/Out	(2,913,873.70)	-	(350,302.50)	338.41	(3,263,837.79)
Total Other Financing Sources and Uses	(2,346,388.70)	-	(350,302.50)	102,932.56	(2,593,758.64)
Net Change in Fund Balances	1,409,823.88	-	(353,719.09)	18,803.86	1,074,908.65
Fund Balance -- July 1	17,031,151.50	-	353,719.09	1,751.12	17,386,621.71
Fund Balance -- June 30	\$ 18,440,975.38	\$ -	\$ -	\$ 20,554.98	\$ 18,461,530.36

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

**GLOUCESTER TOWNSHIP 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		\$ 1,074,908.65
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (2,028,509.88)	
Capital Outlays (Exclusive of SDA Debt Service Aid Assessment)	<u>1,858,735.50</u>	
		(737,259.38)
<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>		
		3,180,000.00
<p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, 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 these differences in the treatment of long-term debt and related items.</p>		
		(85,461.04)
<p>The Internal Service Fund is used by management to charge the costs of providing student transportation services to the district and other school districts. This amount is the change in net position for the Internal Service fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p>		
		438,190.91
<p>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. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		28,345.61
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net position.</p>		
		(75,636.68)
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences) 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). This amount is the net effect of the difference in treatment of compensated absences.</p>		
		(167,135.50)
<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>(2,380,184.00)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,275,768.56</u>

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

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Latchkey</u>	<u>Totals</u>	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 267,870.31	\$ 1,299,572.76	\$ 1,567,443.07	\$ 653,334.33
Accounts Receivable:				
State	1,511.88		1,511.88	
Federal	88,956.23		88,956.23	
Other Governments				404,459.00
Other	3,961.27		3,961.27	
Interfund	6,202.70		6,202.70	
Inventories	21,825.10		21,825.10	
Total Current Assets	<u>390,327.49</u>	<u>1,299,572.76</u>	<u>1,689,900.25</u>	<u>1,057,793.33</u>
Noncurrent Assets:				
Equipment	1,434,054.43	98,826.18	1,532,880.61	5,443,770.06
Less Accumulated Depreciation	<u>(1,297,207.05)</u>	<u>(95,350.86)</u>	<u>(1,392,557.91)</u>	<u>(3,941,753.76)</u>
Total Noncurrent Assets	<u>136,847.38</u>	<u>3,475.32</u>	<u>140,322.70</u>	<u>1,502,016.30</u>
Total Assets	<u>527,174.87</u>	<u>1,303,048.08</u>	<u>1,830,222.95</u>	<u>2,559,809.63</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	32,086.86	840.97	32,927.83	23,337.26
Interfund Accounts Payable		6,202.70	6,202.70	612,935.21
Estimated Worker's Compensation Claims Payable				107,656.00
Unearned Revenue	<u>24,880.53</u>	<u>101,990.13</u>	<u>126,870.66</u>	
Total Current Liabilities	<u>56,967.39</u>	<u>109,033.80</u>	<u>166,001.19</u>	<u>743,928.47</u>
Noncurrent Liabilities:				
Compensated Absences Payable	<u>114,270.00</u>	<u>45,378.00</u>	<u>159,648.00</u>	<u>-</u>
Total Noncurrent Liabilities	<u>114,270.00</u>	<u>45,378.00</u>	<u>159,648.00</u>	<u>-</u>
Total Liabilities	<u>171,237.39</u>	<u>154,411.80</u>	<u>325,649.19</u>	<u>743,928.47</u>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	136,847.38	3,475.32	140,322.70	1,502,016.30
Unrestricted	<u>219,090.10</u>	<u>1,145,160.96</u>	<u>1,364,251.06</u>	<u>313,864.86</u>
Total Net Position	<u>\$ 355,937.48</u>	<u>\$ 1,148,636.28</u>	<u>\$ 1,504,573.76</u>	<u>\$ 1,815,881.16</u>

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

**GLOUCESTER TOWNSHIP 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			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Total Enterprise	
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 146,338.05		\$ 146,338.05	
Daily Sales - Non-Reimbursable Programs	843,302.75		843,302.75	
Special Functions	63,039.83		63,039.83	
Community Service Activities		\$ 1,487,690.55	1,487,690.55	
Transportation Fees from LEA				\$ 3,263,837.79
Transportation Fees from Other LEA's Within the State				1,494,913.00
Miscellaneous	<u>828.75</u>		<u>828.75</u>	
Total Operating Revenues	<u>1,053,509.38</u>	<u>1,487,690.55</u>	<u>2,541,199.93</u>	<u>4,758,750.79</u>
<b>OPERATING EXPENSES:</b>				
Salaries	892,925.26	478,262.24	1,371,187.50	1,702,526.71
Employee Benefits	626,351.08	364,454.46	990,805.54	1,321,247.57
Purchased Professional Services	30,862.00	11,618.00	42,480.00	19,511.32
Cleaning, Repair and Maintenance Services	35,620.94		35,620.94	102,689.72
Other Purchased Services:				
Contracted Services (Other Than Between Home and School)				294,858.75
Insurance				147,794.00
Miscellaneous				380.00
Purchased Property Services		175,000.00	175,000.00	
Communications/Telephone		6,458.20	6,458.20	
Travel	885.55	196.78	1,082.33	
General Supplies	62,246.77	43,200.71	105,447.48	
Transportation Supplies				166,296.13
Gasoline				200,403.68
Depreciation	32,706.22	1,520.91	34,227.13	330,620.62
Cost of Sales:				
Reimbursable Programs	726,124.29		726,124.29	
Non-reimbursable Programs	186,820.00		186,820.00	
Miscellaneous Expense	<u>999.92</u>	<u>27,869.29</u>	<u>28,869.21</u>	<u>34,231.38</u>
Total Operating Expenses	<u>2,595,542.03</u>	<u>1,108,580.59</u>	<u>3,704,122.62</u>	<u>4,320,559.88</u>
Operating Income (Loss)	<u>(1,542,032.65)</u>	<u>379,109.96</u>	<u>(1,162,922.69)</u>	<u>438,190.91</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
State Sources:				
State School Lunch Program	27,502.94		27,502.94	
Federal Sources:				
National School Lunch Program	1,141,720.84		1,141,720.84	
National School Breakfast Program	311,294.74		311,294.74	
After School Snack Program	8,809.50		8,809.50	
Special Milk Program	291.07		291.07	
Food Distribution Program	137,134.34		137,134.34	
Interest and Investment Revenue	<u>261.34</u>	<u>1,144.07</u>	<u>1,405.41</u>	
Total Nonoperating Revenues (Expenses)	<u>1,627,014.77</u>	<u>1,144.07</u>	<u>1,628,158.84</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	<u>84,982.12</u>	<u>380,254.03</u>	<u>465,236.15</u>	<u>438,190.91</u>
Change in Net Position	<u>84,982.12</u>	<u>380,254.03</u>	<u>465,236.15</u>	<u>438,190.91</u>
Total Net Position -- July 1	<u>270,955.36</u>	<u>768,382.25</u>	<u>1,039,337.61</u>	<u>1,377,690.25</u>
Total Net Position -- June 30	<u>\$ 355,937.48</u>	<u>\$ 1,148,636.28</u>	<u>\$ 1,504,573.76</u>	<u>\$ 1,815,881.16</u>

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

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Latchkey	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 1,047,614.63	\$ 1,481,067.76	\$ 2,528,682.39	\$ 5,747,049.79
Payments to Employees	(892,925.26)	(478,262.24)	(1,371,187.50)	(1,702,526.71)
Payments for Employee Benefits	(616,255.08)	(375,355.46)	(991,610.54)	(1,319,535.57)
Payments to Suppliers	(1,007,436.21)	(259,401.35)	(1,266,837.56)	(954,383.70)
Net Cash Provided by (used for) Operating Activities	<u>(1,469,001.92)</u>	<u>368,048.71</u>	<u>(1,100,953.21)</u>	<u>1,770,603.81</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
State Sources	26,851.65		26,851.65	
Federal Sources	1,559,780.93		1,559,780.93	
Interfunds Receivable				(565,728.28)
Operating Subsidies and Transfers to Other Funds	(45,436.50)	(113,266.18)	(158,702.68)	
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,541,196.08</u>	<u>(113,266.18)</u>	<u>1,427,929.90</u>	<u>(565,728.28)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases of Capital Assets	(31,974.35)	-	(31,974.35)	(551,541.20)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(31,974.35)</u>	<u>-</u>	<u>(31,974.35)</u>	<u>(551,541.20)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and Dividends	261.34	1,144.07	1,405.41	-
Net Cash Provided by (used for) Investing Activities	<u>261.34</u>	<u>1,144.07</u>	<u>1,405.41</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	40,481.15	255,926.60	296,407.75	653,334.33
Balances -- July 1	227,389.16	1,043,646.16	1,271,035.32	-
Balances -- June 30	<u>\$ 267,870.31</u>	<u>\$ 1,299,572.76</u>	<u>\$ 1,567,443.07</u>	<u>\$ 653,334.33</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (1,542,032.65)	\$ 379,109.96	\$ (1,162,922.69)	\$ 438,190.91
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation and Net Amortization	32,706.22	1,520.91	34,227.13	330,620.62
(Increase) Decrease in Inventories	4,147.28		4,147.28	
(Increase) Decrease in Interfund Accounts Receivable	(6,202.70)		(6,202.70)	
Increase (Decrease) in Accounts Payable	31,975.98	(1,261.07)	30,714.91	11,781.28
Increase (Decrease) in Accrued Salaries Benefits	10,096.00	(10,901.00)	(805.00)	
(Increase) Decrease in Accounts Receivable, net	(798.39)		(798.39)	988,299.00
Increase (Decrease) in Unearned Revenue	1,106.34	(6,622.79)	(5,516.45)	
Increase (Decrease) in Estimated Worker's Comp Claims Payable				1,712.00
Increase (Decrease) in Interfund Accounts Payable		6,202.70	6,202.70	
Total Adjustments	<u>73,030.73</u>	<u>(11,061.25)</u>	<u>61,969.48</u>	<u>1,332,412.90</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,469,001.92)</u>	<u>\$ 368,048.71</u>	<u>\$ (1,100,953.21)</u>	<u>\$ 1,770,603.81</u>

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

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2017

	Private-Purpose Trust Fund	Agency Funds	
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,377,387.21	\$ 166,802.96	\$ 91,042.33
Receivables from Other Governments			3,243.74
Intrafund Accounts Receivable	29,607.21		
Other Accounts Receivable		4,284.00	
Total Assets	<u>1,406,994.42</u>	<u>\$ 171,086.96</u>	<u>\$ 94,286.07</u>
<b>LIABILITIES:</b>			
Accounts Payable	6,852.63		
Interfund Accounts Payable			\$ 19,196.81
Intrafund Accounts Payable			29,607.21
Payable to Student Groups		\$ 171,086.96	
Payroll Deductions and Withholdings			45,482.05
Total Liabilities	<u>6,852.63</u>	<u>\$ 171,086.96</u>	<u>\$ 94,286.07</u>
<b>NET POSITION:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>1,400,141.79</u>		
Total Net Position	<u>\$ 1,400,141.79</u>		

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

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

	<u>Private-Purpose Trust Fund</u>
	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Employee Salary Deductions	\$ 98,439.06
Investment Earnings:	
Interest	<u>1,285.78</u>
Total Additions	<u>99,724.84</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>54,264.41</u>
Total Deductions	<u>54,264.41</u>
Change in Net Position	45,460.43
Net Position -- July 1	<u>1,354,681.36</u>
Net Position -- June 30	<u><u>\$ 1,400,141.79</u></u>

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

**GLOUCESTER TOWNSHIP 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 Gloucester Township 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 Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K-8 at its eight elementary and three middle schools. The School District has an approximate enrollment at June 30, 2017 of 6,360.

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.

**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.

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

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

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



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. 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 Camden 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 expenditures for capital outlays, including the 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, 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 expenditures for principal and interest.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 the internal service funds include salaries, benefits, administrative expenses, and other transportation related expenses. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

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

**Latchkey Fund** - This fund accounts for financial activity related to providing day care services for School District students before and after school and during the summer.

**Internal Service Fund – Transportation Services** – This fund has been established to account for the financing of transportation services provided by the Gloucester Township School District for use by the Black Horse Pike Regional School District, as well as for the Gloucester Township School District itself. Services are provided on a cost-reimbursement basis.

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 two classifications: 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:

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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 exhibits C-1, C-2 and 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 the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**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 the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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 in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

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

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

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 within 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's capitalization threshold is \$2,000.00. 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>Estimated Lives</u>
Land Improvements	10-20 Years
Buildings and Improvements	10-50 Years
Equipment	4-10 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

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

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

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

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

In addition, the School District reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

**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.

**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 is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and the 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 position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

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

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

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

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



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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 and standard operating procedures, approved by the Board of Education.

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

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

**Interfund Activity**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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 required the School District to disclose certain information related to tax abatement programs (see note 21).

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.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements that will become effective for the School District for the fiscal year ending June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has determined that this Statement will have no 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 \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled 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.

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

**Custodial Credit Risk Related to Deposits (Cont'd)** - As of June 30, 2017, the School District's bank balances of \$19,059,405.49 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 18,632,446.26
Uninsured and Uncollateralized	<u>426,959.23</u>
Total	<u>\$ 19,059,405.49</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was originally established by the School District by inclusion of \$1,000.00 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:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2016	\$ 5,769,756.35
Increased by:	
Interest Earnings	\$ 4,765.37
Deposits:	
Completed Capital Projects--Unexpended Funds	349,964.09
Board Resolution - June 19, 2017	1,000,000.00
Budgeted Increase	<u>1,000,000.00</u>
	<u>2,354,729.46</u>
	8,124,485.81
Decreased by:	
Withdrawals:	
Budget Appropriation	<u>800,000.00</u>
Ending Balance, June 30, 2017	<u>\$ 7,324,485.81</u>

The June 30, 2017 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were for use in Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2017 consisted of intergovernmental awards and refunds, tax levy and charges, fiduciary funds interfunds and various miscellaneous fees. All intergovernmental 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.

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

Fund	Intergovernmental				Fiduciary Funds Interfund	Other	Total
	Federal Awards	State Awards/Refunds	Tax Levy	Transportation Charges			
Governmental Activities:							
Governmental Funds:							
General		\$ 1,273,616.23	\$ 4,140,853.15		\$ 19,196.81		\$ 5,433,666.19
Special Revenue	\$ 743,480.00						743,480.00
Proprietary Funds:							
Internal Service				\$ 404,459.00			404,459.00
	<u>743,480.00</u>	<u>1,273,616.23</u>	<u>4,140,853.15</u>	<u>404,459.00</u>	<u>19,196.81</u>	<u>-</u>	<u>6,581,605.19</u>
Business-Type Activities:							
Proprietary Funds:							
Food Service	88,956.23	1,511.88	-	-	-	\$ 3,961.27	94,429.38
Fiduciary Funds:							
Student Activity						4,284.00	4,284.00
Agency Funds:							
Payroll		3,243.74					3,243.74
	<u>-</u>	<u>3,243.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,284.00</u>	<u>7,527.74</u>
	<u>\$ 832,436.23</u>	<u>\$ 1,278,371.85</u>	<u>\$ 4,140,853.15</u>	<u>\$ 404,459.00</u>	<u>\$ 19,196.81</u>	<u>\$ 8,245.27</u>	<u>\$ 6,683,562.31</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	\$ 16,042.02
Supplies	<u>5,783.08</u>
	<u>\$ 21,825.10</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 902,513.50				\$ 902,513.50
Construction in Progress	913,071.87	\$ 730,483.97	\$ (825,102.73)	\$ (66,790.96)	751,662.15
Total Capital Assets, not being Depreciated	<u>1,815,585.37</u>	<u>730,483.97</u>	<u>(825,102.73)</u>	<u>(66,790.96)</u>	<u>1,654,175.65</u>
Capital Assets, being Depreciated:					
Land Improvements	5,102,596.25				5,102,596.25
Buildings and Improvements	76,718,917.46		825,583.09		77,544,500.55
Equipment	11,146,088.67	1,679,792.73	(480.36)	(1,129,268.75)	11,696,132.29
Total Capital Assets, being Depreciated	<u>92,967,602.38</u>	<u>1,679,792.73</u>	<u>825,102.73</u>	<u>(1,129,268.75)</u>	<u>94,343,229.09</u>
Total Capital Assets, Cost	<u>94,783,187.75</u>	<u>2,410,276.70</u>	<u>-</u>	<u>(1,196,059.71)</u>	<u>95,997,404.74</u>
Less Accumulated Depreciation for:					
Land Improvements	(2,874,087.64)	(64,029.47)			(2,938,117.11)
Buildings and Improvements	(31,483,015.74)	(1,625,005.09)			(33,108,020.83)
Equipment	(8,669,114.39)	(670,095.94)		1,120,423.03	(8,218,787.30)
Total Accumulated Depreciation	<u>(43,026,217.77)</u>	<u>(2,359,130.50)</u>	<u>-</u>	<u>1,120,423.03</u>	<u>(44,264,925.24)</u>
Total Capital Assets, being Depreciated, Net	<u>49,941,384.61</u>	<u>(679,337.77)</u>	<u>825,102.73</u>	<u>(8,845.72)</u>	<u>50,078,303.85</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,756,969.98</u>	<u>\$ 51,146.20</u>	<u>\$ -</u>	<u>\$ (75,636.68)</u>	<u>\$ 51,732,479.50</u>
<b>Business-Type Activities:</b>					
Capital Assets, being Depreciated:					
Equipment	\$ 1,500,906.26	\$ 31,974.35	-	-	\$ 1,532,880.61
Total Capital Assets, being Depreciated	<u>1,500,906.26</u>	<u>31,974.35</u>	<u>-</u>	<u>-</u>	<u>1,532,880.61</u>
Less Accumulated Depreciation for:					
Equipment	(1,358,330.78)	(34,227.13)	-	-	(1,392,557.91)
Total Accumulated Depreciation	<u>(1,358,330.78)</u>	<u>(34,227.13)</u>	<u>-</u>	<u>-</u>	<u>(1,392,557.91)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 142,575.48</u>	<u>\$ (2,252.78)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,322.70</u>

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

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

**Governmental Activities:**

Instruction Regular Programs	\$ 1,070,406.36
Instruction Special Programs	4,705.44
Instruction Nonpublic School Programs	232.17
Support Services Students	14,137.89
Support Services General Administration	68,602.68
Support Services School Administration	6,817.49
Support Services Plant Operations and Maintenance	745,996.37
Support Services Pupil Transportation	373,929.51
Support Services Business and Other Support Services	74,302.59
	<u>74,302.59</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,359,130.50</u>

**Business-Type Activities:**

Food Service	\$ 32,706.22
Latchkey	1,520.91
	<u>1,520.91</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 34,227.13</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>Deductions</u>	<u>Balance June 30, 2017</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 10,706,000.00	\$ 4,570,000.00	\$ (7,986,000.00)	\$ 7,290,000.00	\$ 3,175,000.00
Plus Amounts:					
Premium on Bonds	94,555.58	426,620.15	(138,321.30)	382,854.43	
Total Bonds Payable	<u>10,800,555.58</u>	<u>4,996,620.15</u>	<u>(8,124,321.30)</u>	<u>7,672,854.43</u>	<u>3,175,000.00</u>
Other Liabilities:					
Obligations under Capital Lease		567,485.00		567,485.00	
Compensated Absences	2,051,583.00	167,135.50		2,218,718.50	31,303.16
Net Pension Liability	31,347,413.00	16,322,576.00	(7,235,020.00)	40,434,969.00	
Total Other Liabilities	<u>33,398,996.00</u>	<u>17,057,196.50</u>	<u>(7,235,020.00)</u>	<u>43,221,172.50</u>	<u>31,303.16</u>
Governmental Activity Long-Term Liabilities	<u>\$ 44,199,551.58</u>	<u>\$ 22,053,816.65</u>	<u>\$ (15,359,341.30)</u>	<u>\$ 50,894,026.93</u>	<u>\$ 3,206,303.16</u>

The bonds payable are liquidated by the debt service fund. Obligations under capital lease are liquidated by the general fund. Compensated absences 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</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due within</u> <u>One Year</u>
<b>Business-Type Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 160,453.00	\$ -	\$ (805.00)	\$ 159,648.00	\$ -
Business-Type Activity Long-Term Liabilities	<u>\$ 160,453.00</u>	<u>\$ -</u>	<u>\$ (805.00)</u>	<u>\$ 159,648.00</u>	<u>\$ -</u>

Compensated absences are liquidated by the enterprise funds.

**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.

On March 1, 2007, the School District issued \$7,806,000.00 general obligation bonds at interest rates varying from 3.625% to 3.875% for the emergent replacement and reconstruction of the roofs at the Charles Lewis Middle School, Glen Landing Middle School and J.W. Lilly Elementary School. On October 6, 2016, the School District issued school refunding bonds to advance refund and redeem all of the outstanding callable School Bonds, Series 2007, maturing on March 1 in the years 2018 through and including 2022, and the liability for the refunded bonds was removed from the School District's financial statements (see note 16).

On September 1, 2011, the School District issued \$4,175,000.00 in general obligation refunding bonds with a variable interest rate of 2.0% to 3.0% to advance refund \$4,094,000.00 of outstanding callable 2002 series bonds with a variable interest rate of 4.2% to 4.4%. The final maturity of these bonds is August 1, 2017.

On May 8, 2013, the School District issued \$7,430,000.00 in general obligation refunding bonds with a variable interest rate of 0.45% to 2.00% to currently refund \$7,375,000.00 of outstanding 2004 refunding bonds with an interest rate of 4.00%. The final maturity of these bonds is August 1, 2017.

On October 6, 2016, the School District issued \$4,570,000.00 in school refunding bonds with an interest rate of 4.000% to advance refund \$4,806,000.00 of outstanding 2007 series bonds with an interest rate of 3.875%. The final maturity of these bonds is March 1, 2022.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,175,000.00	\$ 212,187.50	\$ 3,387,187.50
2019	965,000.00	164,600.00	1,129,600.00
2020	1,010,000.00	126,000.00	1,136,000.00
2021	1,050,000.00	85,600.00	1,135,600.00
2022	1,090,000.00	43,600.00	1,133,600.00
Total	<u>\$ 7,290,000.00</u>	<u>\$ 631,987.50</u>	<u>\$ 7,921,987.50</u>

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

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

**Obligations under Capital Lease** - The School District is leasing telephone equipment totaling \$567,485.00 under a capital lease. The capital lease is for a term of five years. The capital lease is 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</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 103,677.60	\$ 21,987.95	\$ 125,665.55
2020	110,371.64	15,293.91	125,665.55
2021	114,011.11	11,654.44	125,665.55
2022	117,770.60	7,894.95	125,665.55
2023	121,654.05	4,011.50	125,665.55
Total	<u>\$ 567,485.00</u>	<u>\$ 60,842.75</u>	<u>\$ 628,327.75</u>

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

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

**Note 8: OPERATING LEASES**

At June 30, 2017, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2018	\$ 118,257.12
2019	16,620.48
2020	4,155.12
	<u>\$ 139,032.72</u>

Rental payments under operating leases for the fiscal year ended June 30, 2017 were \$124,395.12.



**Note 9: PENSION PLANS**

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

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

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

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

**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 the State Police Retirement System ("SPRS") or the Police and Firemen's Retirement System ("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.

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

**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.

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

**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*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 7.63% 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 \$3,636,884.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$3,457,453.02.

**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.

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

**Public Employees' Retirement System (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.83% 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 \$1,243,445.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$651,245.39.

**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 \$101,452.76, and the School District recognized pension expense, which equaled the required contributions, of \$52,560.67. During the fiscal year forfeitures totaling \$2,785.87 were used to offset the employer contributions.

**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 District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	359,242,602.00
	<u>\$359,242,602.00</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 0.4566660636%, which was an increase of 0.0090709516% from its proportion measured as of June 30, 2015.

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

**Teachers' Pension and Annuity Fund (Cont'd)** - For the fiscal year ended June 30, 2017, the School District recognized \$26,992,083.00 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 \$40,434,969.00 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 0.1365256078%, which was a decrease of 0.0031189877% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$3,592,988.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 751,968.00	\$ -
Changes of Assumptions	8,375,966.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,541,822.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	393,071.00	1,409,109.00
School District Contributions Subsequent to the Measurement Date	1,243,445.00	-
	<u>\$12,306,272.00</u>	<u>\$ 1,409,109.00</u>

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

**Public Employees' Retirement System (Cont'd)** - \$1,243,445.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending 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:

<b>Year Ending June 30,</b>		
2018	\$	2,134,774
2019		2,134,774
2020		2,515,603
2021		2,187,786
2022		680,781
		<u>\$ 9,653,718.00</u>

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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
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 of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

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

**Public Employees' Retirement System (Cont'd)** - 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 (cont'd):

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

**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:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.08%
Salary Increases:		
2012-2021	Varies Based on Experience	
Through 2026		1.65% - 4.15% Based 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

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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:

<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%
U.S. Government Bonds	1.50%	1.28%	U.S. Treasuries	1.50%	1.74%
U.S. Credit Bonds	13.00%	2.76%	Investment Grade Credit	8.00%	1.79%
U.S. Mortgages	2.00%	2.38%	Mortgages	2.00%	1.67%
U.S. Inflation-Indexed Bonds	1.50%	1.41%	High Yield Bonds	2.00%	4.56%
U.S. High Yield Bonds	2.00%	4.70%	Inflation-Indexed Bonds	1.50%	3.44%
U.S. 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.	5.00%	-0.25%
Hedge Funds - MultiStrategy	5.00%	3.70%	REIT	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>	



**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**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.

**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>1% Decrease <u>(2.22%)</u></b>	<b>Current Discount Rate <u>(3.22%)</u></b>	<b>1% Increase <u>(4.22%)</u></b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>429,015,949.00</u>	<u>359,242,602.00</u>	<u>302,263,660.00</u>
	<u>\$429,015,949.00</u>	<u>\$359,242,602.00</u>	<u>\$302,263,660.00</u>

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

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

	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 49,548,335.00</u>	<u>\$ 40,434,969.00</u>	<u>\$ 32,911,095.00</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS'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 10: SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving postemployment medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

The School Employees Health Benefits Program ("SEHBP") Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. Seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

**Note 11: 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 \$4,891,099.00, \$177,216.00, \$4,223,060.00 and \$7,262.00, respectively.

**Note 12: RISK MANAGEMENT**

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2017	\$ 98,439.06	\$ 1,285.78	\$ 54,264.41	\$ 1,400,141.79
2016	97,280.82	1,242.81	50,026.86	1,354,681.36
2015	96,136.43	1,207.64	75,260.84	1,306,184.59

**Self-Insurance Plan** - The School District has adopted a plan of self-insurance for workers' compensation insurance claims up to \$500,000.00 per any one accident. Claims greater than this amount are covered by an excess workers' compensation insurance policy. The records of the Administrator of the plan indicate \$474,214.50 of pending claims which have been recorded and are included in accounts payable as of June 30, 2017. Any additional funds required for claims in excess of these pending claims will be paid and charged to the 2017-2018 or future budgets.

The workers' compensation insurance claims liability (incurred) is based on an analysis prepared by management, which is based on historical trends. The remaining claims liability (incurred) is based on an evaluation performed by the third-party administrator of the plan.

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of four 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:

Lincoln Investment Planning, Inc.  
Syracusa Benefits Program  
Metlife  
Equitable Life Assurance Society

**Note 14: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2017, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$2,218,718.50 and \$159,648.00, respectively.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, 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	\$ 1,434,275.76	\$ 20,554.98
Special Revenue		452,179.65
Capital Projects		349,964.09
Debt Service	20,554.98	
Food Service	6,202.70	
Latchkey		6,202.70
Internal Service		612,935.21
Fiduciary		19,196.81
	<u>\$ 1,461,033.44</u>	<u>\$ 1,461,033.44</u>

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)**

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2018, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Internal Service Fund</u>
<b><u>Transfer Out:</u></b>				
General Fund	\$ (3,263,837.79)			\$ 3,263,837.79
Capital Projects Fund	349,964.09	\$ (350,302.50)	\$ 338.41	
Total Transfers	<u>\$ (2,913,873.70)</u>	<u>\$ (350,302.50)</u>	<u>\$ 338.41</u>	<u>\$ 3,263,837.79</u>

During the fiscal year ended June 30, 2017, the general fund transferred \$3,263,837.79 to the internal service proprietary fund for the local share of transportation expenditures made in the internal service fund. Additionally, the capital projects fund transferred \$349,964.09 to the general fund for completed local capital projects having unexpended capital reserve proceeds. Finally, the capital projects fund transferred \$338.41 to the debt service fund for interest earned on deposits in the capital projects fund.

**Note 16: CAPITAL DEBT REFUNDING**

On October 6, 2016, the School District issued \$4,570,000.00 in school refunding bonds with an interest rate of 4.000% to advance refund \$4,806,000.00 of outstanding 2007 series bonds with an interest rate of 3.875%. The net proceeds of \$4,894,026.46 (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 series bonds. As a result of the advance refunding, the School District will reduce its total debt service payments over the next six years by \$264,750.99, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$256,861.23, or 5.35% of the principal amount being refunded. The advance refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the School District's financial statements.

**Note 17: DEFEASED DEBT**

During the fiscal year ended June 30, 2017, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School District's financial statements. As of June 30, 2017, the total amount of defeased debt outstanding, but removed from the School District's financial statements, is \$4,806,000.00.

**Note 18: 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 19: 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 20: 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 Tuition** - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$400,000.00 in a legal reserve for tuition adjustments. This restricted fund balance represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2017, \$200,000.00 and \$200,000.00 have been restricted for the contract years 2017-2018 and 2018-2019, respectively.

**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 \$5,339,251.69 presented on the budgetary basis of accounting (Exhibit C-1). Excluding the last state aid payments not recognized on a GAAP basis, the excess fund balance reported on the balance sheet as of June 30, 2017 is \$479,510.69. Additionally, \$5,378,402.00 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 \$7,324,485.81. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Note 20: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)**

**For Maintenance Reserve Account** - As of June 30, 2017, the balance in the maintenance reserve account is \$745,889.58. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Emergency Reserve** - As of June 30, 2017, the balance in the emergency reserve is \$664,621.33. These funds are generally restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The emergency reserves may be used for security upgrades if included in the original budget certified for taxes pursuant to 18A:7G-6(c)1. The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve generally require approval by the Commissioner.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As of June 30, 2017, \$20,554.98 of debt service fund balance is restricted for future debt service expenditures, of which \$728.00 has been designated for utilization in the 2017-2018.

**ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018 \$23,438.21 of general fund balance at June 30, 2017, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures.

**Other Purposes** - As of June 30, 2017, the School District had \$474,619.53 of encumbrances as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2017, \$2,950,008.23 of general fund balance was unassigned.

**Note 21: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

The Township of Gloucester has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$88,796,300.00. Based on the School District's 2017 certified tax rate of \$1.141, abated taxes totaled \$1,013,165.78.



REQUIRED SUPPLEMENTARY INFORMATION  
PART II  
BUDGETARY COMPARISON SCHEDULES

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 47,270,580.00		\$ 47,270,580.00	\$ 47,270,580.00	
Unrestricted Miscellaneous	325,000.00		325,000.00	1,117,965.53	\$ 792,965.53
<b>Total - Local Sources</b>	<b>47,595,580.00</b>	<b>-</b>	<b>47,595,580.00</b>	<b>48,388,545.53</b>	<b>792,965.53</b>
State Sources:					
Equalization Aid	45,803,377.00		45,803,377.00	45,803,377.00	
Transportation Aid	513,108.00		513,108.00	513,108.00	
Categorical Special Education Aid	3,915,535.00		3,915,535.00	3,915,535.00	
Security Aid	487,009.00		487,009.00	487,009.00	
PARCC Readiness Aid	65,225.00		65,225.00	65,225.00	
Per Pupil Growth Aid	65,225.00		65,225.00	65,225.00	
Professional Learning Community Aid	62,050.00		62,050.00	62,050.00	
Tuition Reimbursements for Homeless Students				273,841.38	273,841.38
Extraordinary Special Education Costs Aid				893,670.00	893,670.00
Nonpublic School Transportation Aid				62,118.00	62,118.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,439,460.47	3,439,460.47
On-behalf TPAF Pension Contributions (non-budgeted)				9,298,637.00	9,298,637.00
<b>Total - State Sources</b>	<b>50,911,529.00</b>	<b>-</b>	<b>50,911,529.00</b>	<b>64,879,255.85</b>	<b>13,967,726.85</b>
Federal Sources:					
Special Education Medicaid Initiative	164,689.00		164,689.00	228,997.18	64,308.18
<b>Total - Federal Sources</b>	<b>164,689.00</b>	<b>-</b>	<b>164,689.00</b>	<b>228,997.18</b>	<b>64,308.18</b>
<b>Total Revenues</b>	<b>98,671,798.00</b>	<b>-</b>	<b>98,671,798.00</b>	<b>113,496,798.56</b>	<b>14,825,000.56</b>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	1,416,950.00	\$ 978,500.00	2,395,450.00	2,375,860.09	19,589.91
Grades 1 - 5	16,918,070.00	(1,163,009.00)	15,755,061.00	15,725,582.70	29,478.30
Grades 6 - 8	10,984,800.00	(279,654.00)	10,705,146.00	10,694,225.41	10,920.59
Regular Programs - Home Instruction:					
Salaries of Teachers	17,000.00	20,000.00	37,000.00	33,069.17	3,930.83
Purchased Professional Educational Services	11,000.00	10,000.00	21,000.00	18,192.50	2,807.50
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,120,915.00	63,100.00	1,184,015.00	1,175,695.80	8,319.20
Purchased Professional - Educational Services	1,177,400.00	271,798.00	1,449,198.00	1,369,456.34	79,741.66
Purchased Technical Services	10,400.00	(6,000.00)	4,400.00	3,688.95	711.05
Other Purchased Services	6,000.00	(5,400.00)	600.00	385.00	215.00
General Supplies	1,668,006.36	607,584.00	2,275,590.36	2,225,613.60	49,976.76
Textbooks	15,710.00	(9,860.00)	5,850.00	3,444.25	2,405.75
Other Objects	30,000.00	(13,500.00)	16,500.00	13,860.33	2,639.67
<b>Total Regular Programs</b>	<b>33,376,251.36</b>	<b>473,559.00</b>	<b>33,849,810.36</b>	<b>33,639,074.14</b>	<b>210,736.22</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
**GENERAL FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Behavioral Disabilities:					
Salaries of Teachers	\$ 254,290.00	\$ 3,000.00	\$ 257,290.00	\$ 256,775.00	\$ 515.00
Other Salaries for Instruction	39,732.00	30,000.00	69,732.00	68,129.20	1,602.80
General Supplies	10,000.00	(9,778.56)	221.44	221.44	
Textbooks	1,000.00	(700.00)	300.00		300.00
Other Objects	2,000.00	200.00	2,200.00	2,146.71	53.29
<b>Total - Behavioral Disabilities</b>	<b>307,022.00</b>	<b>22,721.44</b>	<b>329,743.44</b>	<b>327,272.35</b>	<b>2,471.09</b>
Multiple Disabilities:					
Salaries of Teachers	1,262,285.00	(160,000.00)	1,102,285.00	1,044,478.82	57,806.18
Other Salaries for Instruction	277,828.00	400.00	278,228.00	277,931.78	296.22
General Supplies	35,477.95	2,934.00	38,411.95	38,411.95	
Textbooks	2,000.00	(2,000.00)			
Other Objects	4,000.00	(534.00)	3,466.00	3,389.94	76.06
<b>Total - Multiple Disabilities</b>	<b>1,581,590.95</b>	<b>(159,200.00)</b>	<b>1,422,390.95</b>	<b>1,364,212.49</b>	<b>58,178.46</b>
Resource Room/Center					
Salaries of Teachers	6,382,950.00	109,000.00	6,491,950.00	6,446,690.55	45,259.45
Other Salaries for Instruction	328,368.00	540.00	328,908.00	301,363.94	27,544.06
General Supplies	126,186.48	(45,408.68)	80,777.80	80,777.80	
Textbooks	8,000.00		8,000.00	7,800.47	199.53
<b>Total - Resource Room/Center</b>	<b>6,845,504.48</b>	<b>64,131.32</b>	<b>6,909,635.80</b>	<b>6,836,632.76</b>	<b>73,003.04</b>
Autism					
Salaries of Teachers	489,860.00	(50,000.00)	439,860.00	434,012.99	5,847.01
Other Salaries for Instruction	690,655.00	(101,000.00)	589,655.00	362,311.89	227,343.11
General Supplies	28,528.32	8,187.24	36,715.56	33,355.61	3,359.95
Textbooks	2,000.00		2,000.00		2,000.00
Other Objects	4,259.85		4,259.85	3,344.42	915.43
<b>Total - Autism</b>	<b>1,215,303.17</b>	<b>(142,812.76)</b>	<b>1,072,490.41</b>	<b>833,024.91</b>	<b>239,465.50</b>
Preschool Disabilities - Part-time:					
Salaries of Teachers	452,370.00	(25,350.00)	427,020.00	426,980.25	39.75
Other Salaries for Instruction	232,623.00		232,623.00	231,611.56	1,011.44
General Supplies	13,732.01		13,732.01	9,600.28	4,131.73
Other Objects	2,000.00		2,000.00	1,472.24	527.76
<b>Total - Preschool Disabilities - Part-Time</b>	<b>700,725.01</b>	<b>(25,350.00)</b>	<b>675,375.01</b>	<b>669,664.33</b>	<b>5,710.68</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education (Cont'd):					
Home Instruction					
Salaries of Teachers	\$ 50,000.00		\$ 50,000.00	\$ 21,639.83	\$ 28,360.17
Purchased Professional - Educational Services	15,000.00	\$ 7,000.00	22,000.00	21,773.31	226.69
Total - Home Instruction	65,000.00	7,000.00	72,000.00	43,413.14	28,586.86
Total - Special Education	10,715,145.61	(233,510.00)	10,481,635.61	10,074,219.98	407,415.63
Bilingual Education:					
Salaries of Teachers	239,575.00	6,000.00	245,575.00	245,415.00	160.00
General Supplies	4,000.00	(4,000.00)			
Other Objects	500.00	(500.00)			
Total - Bilingual Education	244,075.00	1,500.00	245,575.00	245,415.00	160.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	350,000.00	(45,060.00)	304,940.00	293,587.88	11,352.12
School Sponsored Athletics - Instruction:					
Salaries	240,000.00		240,000.00	203,047.50	36,952.50
Other Purchased Services	39,000.00		39,000.00	29,390.13	9,609.87
General Supplies	39,000.00		39,000.00	30,632.32	8,367.68
Total - School-Sponsored Athletics - Instruction	318,000.00	-	318,000.00	263,069.95	54,930.05
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Reading Specialists	1,079,350.00	-	1,079,350.00	916,725.00	162,625.00
Total - Instruction	46,082,821.97	196,489.00	46,279,310.97	45,432,091.95	847,219.02
Community Service Programs/Operations:					
General Supplies	7,000.00	-	7,000.00	1,539.00	5,461.00
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	220,000.00	(30,000.00)	190,000.00	187,756.74	2,243.26
Tuition to Other LEAs within the State - Special	110,000.00	76,000.00	186,000.00	169,149.46	16,850.54
Tuition to CSSD & Regional Day Schools	2,800,000.00	204,000.00	3,004,000.00	3,003,462.20	537.80
Tuition to Private School for the Disabled - within the State	2,300,000.00	187,000.00	2,487,000.00	2,485,340.98	1,659.02
Tuition Private School for the Disabled and Other LEAs - Out of State	10,000.00		10,000.00		10,000.00
Tuition - State Facilities	32,306.00		32,306.00	32,306.00	
Tuition - Other	100,000.00	(4,000.00)	96,000.00	82,796.44	13,203.56
Total Undistributed Expenditures - Instruction	5,572,306.00	433,000.00	6,005,306.00	5,960,811.82	44,494.18

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
**GENERAL FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	\$ 179,676.00	\$ (9,499.00)	\$ 170,177.00	\$ 159,118.12	\$ 11,058.88
General Supplies	1,000.00		1,000.00	259.60	740.40
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>180,676.00</b>	<b>(9,499.00)</b>	<b>171,177.00</b>	<b>159,377.72</b>	<b>11,799.28</b>
Undistributed Expenditures - Health Services:					
Salaries	1,054,787.00	9,500.00	1,064,287.00	1,059,263.01	5,023.99
Purchased Professional and Technical Services	521,123.00	30,000.00	551,123.00	457,967.43	93,155.57
General Supplies	10,000.00		10,000.00	9,244.80	755.20
<b>Total Undistributed Expenditures - Health Services</b>	<b>1,585,910.00</b>	<b>39,500.00</b>	<b>1,625,410.00</b>	<b>1,526,475.24</b>	<b>98,934.76</b>
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	1,338,580.00	(17,600.00)	1,320,980.00	1,316,109.96	4,870.04
Purchased Professional Educational Services	20,000.00	182,600.00	202,600.00	199,218.82	3,381.18
General Supplies	12,000.00		12,000.00	5,092.40	6,907.60
<b>Total Undistributed Expenditures - Speech, OT, PT &amp; Rel. Serv.</b>	<b>1,370,580.00</b>	<b>165,000.00</b>	<b>1,535,580.00</b>	<b>1,520,421.18</b>	<b>15,158.82</b>
Undistributed Expenditures - Extraordinary Services					
Purchased Professional Educational Services	33,800.00	119,000.00	152,800.00	127,065.56	25,734.44
<b>Total Undistributed Expenditures - Extraordinary Services</b>	<b>33,800.00</b>	<b>119,000.00</b>	<b>152,800.00</b>	<b>127,065.56</b>	<b>25,734.44</b>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	1,461,800.00	(130,000.00)	1,331,800.00	1,325,550.00	6,250.00
Salaries of Secretarial and Clerical Assistants	75,157.00		75,157.00	69,322.90	5,834.10
Other Purchased Professional and Technical Services	17,500.00	(275.00)	17,225.00	16,694.95	530.05
General Supplies	15,000.00	(3,394.00)	11,606.00	11,605.86	0.14
<b>Total Undistributed Expenditures - Guidance</b>	<b>1,569,457.00</b>	<b>(133,669.00)</b>	<b>1,435,788.00</b>	<b>1,423,173.71</b>	<b>12,614.29</b>
Undistributed Expenses - Child Study Teams:					
Salaries of Other Professional Staff	1,591,094.00	(13,000.00)	1,578,094.00	1,546,134.14	31,959.86
Other Purchased Professional and Technical Services	30,000.00		30,000.00	27,329.06	2,670.94
Miscellaneous Purchased Services	12,000.00		12,000.00	9,361.80	2,638.20
General Supplies	52,189.76		52,189.76	51,191.55	998.21
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>1,685,283.76</b>	<b>(13,000.00)</b>	<b>1,672,283.76</b>	<b>1,634,016.55</b>	<b>38,267.21</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
**GENERAL FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ 640,388.00	\$ 10,497.00	\$ 650,885.00	\$ 650,803.30	\$ 81.70
Salaries of Secretarial and Clerical Assistants	93,723.00	(6,500.00)	87,223.00	76,176.72	11,046.28
Salaries of Facilitators, Math and Literacy Coaches	96,200.00	(95,000.00)	1,200.00		1,200.00
General Supplies	4,700.00	14,620.00	19,320.00	309.11	19,010.89
Other Objects	2,000.00	(1,800.00)	200.00	200.00	
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>837,011.00</b>	<b>(78,183.00)</b>	<b>758,828.00</b>	<b>727,489.13</b>	<b>31,338.87</b>
Undistributed Expenditures - Educational Media/Library:					
Salaries	972,726.00	(5,025.00)	967,701.00	967,571.22	129.78
General Supplies	59,515.00	4,860.00	64,375.00	56,027.83	8,347.17
<b>Total Undistributed Expenditures - Educational Media/Library</b>	<b>1,032,241.00</b>	<b>(165.00)</b>	<b>1,032,076.00</b>	<b>1,023,599.05</b>	<b>8,476.95</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services	17,200.00	6,810.00	24,010.00	7,098.00	16,912.00
Other Purchased Services	21,700.00	(16,200.00)	5,500.00	2,693.01	2,806.99
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>38,900.00</b>	<b>(9,390.00)</b>	<b>29,510.00</b>	<b>9,791.01</b>	<b>19,718.99</b>
Undistributed Expenditures - Support Services General Administration:					
Salaries	231,767.00	2,775.00	234,542.00	234,523.04	18.96
Legal Services	138,444.43	(10,000.00)	128,444.43	73,758.71	54,685.72
Audit Fees	96,000.00	6,500.00	102,500.00	102,000.00	500.00
Architectural/Engineering Services	101,875.00	10,000.00	111,875.00	101,844.77	10,030.23
Miscellaneous Purchased Services	235,119.00	10,000.00	245,119.00	240,305.58	4,813.42
Communications/Telephone	212,446.00		212,446.00	183,545.14	28,900.86
BOE Other Purchased Services	12,000.00		12,000.00	4,532.00	7,468.00
General Supplies	7,500.00		7,500.00	2,081.27	5,418.73
Miscellaneous Expenditures	16,000.00	27,500.00	43,500.00	15,659.35	27,840.65
BOE Membership Dues and Fees	27,000.00		27,000.00	26,662.70	337.30
<b>Total Undistributed Expenditures - Support Services General Administration</b>	<b>1,078,151.43</b>	<b>46,775.00</b>	<b>1,124,926.43</b>	<b>984,912.56</b>	<b>140,013.87</b>
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	2,470,322.00	152,500.00	2,622,822.00	2,620,608.88	2,213.12
Salaries of Other Professional Staff	133,900.00	1,300.00	135,200.00	135,199.92	0.08
Salaries of Secretarial and Clerical Assistants	839,264.00	(75,700.00)	763,564.00	759,785.12	3,778.88
Other Purchased Services	20,000.00		20,000.00	8,724.06	11,275.94
<b>Total Undistributed Expenditures - Support Services School Administration</b>	<b>3,463,486.00</b>	<b>78,100.00</b>	<b>3,541,586.00</b>	<b>3,524,317.98</b>	<b>17,268.02</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
**GENERAL FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Central Services					
Salaries	\$ 933,621.00	\$ (41,000.00)	\$ 892,621.00	\$ 844,573.78	\$ 48,047.22
Purchased Professional Services	10,500.00		10,500.00	3,700.00	6,800.00
Miscellaneous Purchased Services	292,000.00	(18,000.00)	274,000.00	267,907.42	6,092.58
General Supplies	57,426.69	(10,000.00)	47,426.69	23,268.49	24,158.20
Miscellaneous Expenditures	6,000.00	43,900.00	49,900.00	8,654.05	41,245.95
<b>Total Undistributed Expenditures - Central Services</b>	<b>1,299,547.69</b>	<b>(25,100.00)</b>	<b>1,274,447.69</b>	<b>1,148,103.74</b>	<b>126,343.95</b>
Undistributed Expenditures - Admin. Info. Technology					
Salaries	490,352.00	14,000.00	504,352.00	487,047.59	17,304.41
Purchased Technical Services	255,000.00		255,000.00	179,936.62	75,063.38
Other Purchased Services	191,500.00	1,090.00	192,590.00	187,060.73	5,529.27
General Supplies	40,499.90	1,000.00	41,499.90	37,557.07	3,942.83
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>977,351.90</b>	<b>16,090.00</b>	<b>993,441.90</b>	<b>891,602.01</b>	<b>101,839.89</b>
Undistributed Expenditures - Required Maint. for School Facilities:					
Salaries	280,987.00		280,987.00	263,456.32	17,530.68
Cleaning, Repair & Maintenance Services	335,209.95	339,000.00	674,209.95	546,268.91	127,941.04
General Supplies	92,571.16		92,571.16	88,353.70	4,217.46
Other Objects	25,000.00		25,000.00	16,152.93	8,847.07
<b>Total Undistributed Expenditures - Required Maint. for School Facilities</b>	<b>733,768.11</b>	<b>339,000.00</b>	<b>1,072,768.11</b>	<b>914,231.86</b>	<b>158,536.25</b>
Undistributed Expenditures - Custodial Services:					
Salaries	2,620,669.00		2,620,669.00	2,428,664.03	192,004.97
Purchased Professional and Technical Services	2,000.00		2,000.00		2,000.00
Cleaning, Repair & Maintenance Services	286,351.82		286,351.82	257,101.70	29,250.12
Rental of Land and Building Other Than Lease Purchase	3,000.00		3,000.00	1,595.93	1,404.07
Other Purchased Property Services	317,500.00	50,000.00	367,500.00	330,755.07	36,744.93
Insurance	235,000.00		235,000.00	222,406.00	12,594.00
Miscellaneous Purchased Services	2,000.00		2,000.00	623.00	1,377.00
General Supplies	373,508.70	(3,000.00)	370,508.70	357,644.40	12,864.30
Energy (Electricity)	1,350,000.00	(194,000.00)	1,156,000.00	1,114,389.52	41,610.48
Energy (Natural Gas)	750,000.00	(194,000.00)	556,000.00	476,936.20	79,063.80
Other Objects	26,000.00	6,000.00	32,000.00	22,682.36	9,317.64
<b>Total - Undistributed Expenditures - Custodial Services</b>	<b>5,966,029.52</b>	<b>(335,000.00)</b>	<b>5,631,029.52</b>	<b>5,212,798.21</b>	<b>418,231.31</b>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	187,635.00		187,635.00	159,740.99	27,894.01
Cleaning, Repair & Maintenance Services	8,000.00	10,172.00	18,172.00	18,171.66	0.34
General Supplies	30,065.51		30,065.51	28,287.94	1,777.57
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>225,700.51</b>	<b>10,172.00</b>	<b>235,872.51</b>	<b>206,200.59</b>	<b>29,671.92</b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
**GENERAL FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Security:					
Salaries	\$ 174,086.00	\$ (3,620.00)	\$ 170,466.00	\$ 109,216.08	\$ 61,249.92
Purchased Professional and Technical Services	300,000.00		300,000.00	300,000.00	
Cleaning, Repair & Maintenance Services	167,533.00	6,000.00	173,533.00	131,660.25	41,872.75
General Supplies	<u>10,000.00</u>		<u>10,000.00</u>	<u>3,112.93</u>	<u>6,887.07</u>
Total Undistributed Expenditures - Security	<u>651,619.00</u>	<u>2,380.00</u>	<u>653,999.00</u>	<u>543,989.26</u>	<u>110,009.74</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries - Non-Instructional Aides	230,000.00	78,500.00	308,500.00	295,327.20	13,172.80
Salaries for Pupil Transportation (Between Home & School) - Regular	20,000.00		20,000.00	838.95	19,161.05
Salaries for Pupil Transportation (Between Home & School) - Special Education	431,280.00	20,000.00	451,280.00	417,709.99	33,570.01
Salaries for Pupil Transportation (Between Home & School) - Nonpublic	25,000.00	(20,000.00)	5,000.00		5,000.00
Group Insurance	300,000.00		300,000.00	259,955.04	40,044.96
Social Security Contributions	51,000.00		51,000.00	50,376.26	623.74
Other Retirement Contributions - PERS	55,000.00		55,000.00	55,000.00	
Other Employee Benefits	5,000.00	(25.00)	4,975.00		4,975.00
Cleaning, Repair & Maintenance Services	27,000.00	25.00	27,025.00	24,142.81	2,882.19
Contracted Services (Between Home & School) - Vendors	436,567.33	(80,500.00)	356,067.33	345,778.51	10,288.82
Contracted Services (Other Than Between Home & School) - Vendors	75,000.00	12,500.00	87,500.00	82,199.40	5,300.60
Contracted Services (Spec. Ed. Students) - Vendors	33,000.00	29,000.00	62,000.00	59,129.97	2,870.03
Contracted Services (Special Ed. Students) - ESC/CTSA	1,350,000.00	452,500.00	1,802,500.00	1,802,192.47	307.53
Contracted Services - Aid in Lieu Payments - Nonpublic	323,978.00	(55,000.00)	268,978.00	266,526.00	2,452.00
Miscellaneous Purchased Services - Transportation	15,000.00		15,000.00	69.52	14,930.48
Transportation Supplies	100,000.00	(29,000.00)	71,000.00	47,008.25	23,991.75
General Supplies	54,836.56		54,836.56	49,853.78	4,982.78
Other Objects	<u>3,000.00</u>		<u>3,000.00</u>	<u>1,967.63</u>	<u>1,032.37</u>
Total Undistributed Expenditures - Student Transportation Services	<u>3,535,661.89</u>	<u>408,000.00</u>	<u>3,943,661.89</u>	<u>3,758,075.78</u>	<u>185,586.11</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	940,000.00		940,000.00	792,474.55	147,525.45
Other Retirement Contributions - PERS	890,000.00	369,550.00	1,259,550.00	1,252,225.79	7,324.21
Unused Sick Payment to Terminated/Retired Staff	250,000.00		250,000.00	239,855.30	10,144.70
Workmen's Compensation	440,000.00	264,710.00	704,710.00	624,987.04	79,722.96
Health Benefits	16,741,637.00	(2,278,260.00)	14,463,377.00	13,267,047.58	1,196,329.42
Tuition Reimbursement	151,500.00		151,500.00	73,156.58	78,343.42
Other Employee Benefits	<u>405,100.00</u>	<u>675,000.00</u>	<u>1,080,100.00</u>	<u>1,072,371.79</u>	<u>7,728.21</u>
Total Unallocated Benefits - Employee Benefits	<u>19,818,237.00</u>	<u>(969,000.00)</u>	<u>18,849,237.00</u>	<u>17,322,118.63</u>	<u>1,527,118.37</u>
Undistributed Expenditures - Transfer to Charter Schools	<u>1,400,000.00</u>	<u>90,000.00</u>	<u>1,490,000.00</u>	<u>1,485,113.00</u>	<u>4,887.00</u>



**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
**GENERAL FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures- Non-budgeted: On-behalf TPAF Pension Contributions	-	-	-	\$ 9,298,637.00	\$ (9,298,637.00)
Undistributed Expenditures - Non-budgeted Reimbursed TPAF Social Security Contributions	-	-	-	3,439,460.47	(3,439,460.47)
Total Undistributed Expenses	\$ 53,055,717.81	\$ 174,011.00	\$ 53,229,728.81	62,841,782.06	(9,612,053.25)
Total Current Expense	99,145,539.78	370,500.00	99,516,039.78	108,275,413.01	(8,759,373.23)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Resource Room/Resource Center	15,000.00		15,000.00		15,000.00
Undistributed Expenditures:					
Central Services	39,950.00	250,000.00	289,950.00	113,189.60	176,760.40
Required Maintenance	20,000.00	165,000.00	165,000.00	31,875.00	133,125.00
Care and Upkeep of Grounds	20,000.00	15,000.00	35,000.00	21,315.00	13,685.00
Total - Equipment	74,950.00	430,000.00	504,950.00	166,379.60	338,570.40
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	54,000.00		54,000.00		54,000.00
Construction Services	746,000.00	251,500.00	997,500.00	650,673.37	346,826.63
Assessment for Debt Service on SDA Funding	92,805.00		92,805.00	92,805.00	
Total - Facilities Acquisition and Construction Services	892,805.00	251,500.00	1,144,305.00	743,478.37	400,826.63
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Lease Purchase Agreement - Principal	-	-	-	567,485.00	(567,485.00)
Total Capital Outlay	967,755.00	681,500.00	1,649,255.00	1,477,342.97	171,912.03
Total Expenditures	100,113,294.78	1,052,000.00	101,165,294.78	109,752,755.98	(8,587,461.20)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,441,496.78)	(1,052,000.00)	(2,493,496.78)	3,744,042.58	6,237,539.36
Other Financing Sources (Uses):					
Transfers from Capital Projects - Capital Reserve - Unexpended Projects				349,964.09	349,964.09
Transfers to Internal Service Fund - Board Contribution	(3,934,875.00)		(3,934,875.00)	(3,263,837.79)	671,037.21
Capital Leases (Non-Budgeted)				567,485.00	567,485.00
Total - Other Financing Sources (Uses)	(3,934,875.00)	-	(3,934,875.00)	(2,346,388.70)	1,588,486.30
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,376,371.78)	(1,052,000.00)	(6,428,371.78)	1,397,653.88	7,826,025.66
Fund Balances, July 1	21,903,062.50	-	21,903,062.50	21,903,062.50	-
Fund Balances, June 30	\$ 16,526,690.72	\$ (1,052,000.00)	\$ 15,474,690.72	\$ 23,300,716.38	\$ 7,826,025.66

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 7,324,485.81	
Maintenance Reserve				745,889.58	
Emergency Reserve				664,621.33	
Reserve for Tuition:					
2015-16--Designated for Subsequent Year's Expenditures				200,000.00	
2016-17				200,000.00	
Excess Surplus--Current Year				5,339,251.69	
Excess Surplus--Prior Year--Designated for Subsequent Year's Expenditures				5,378,402.00	
Assigned:					
Year-End Encumbrances				474,619.53	
Designated for Subsequent Year's Expenditures:					
SEMI/ARRA				23,438.21	
Unassigned				<u>2,950,008.23</u>	
				23,300,716.38	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments Not Recognized on GAAP Basis				<u>(4,859,741.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 18,440,975.38</u>	

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 SPECIAL REVENUE FUND  
 Budgetary Comparison Schedule  
 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 Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Nonpublic Aid		\$ 531,172.00	\$ 531,172.00	\$ 444,556.42	\$ (86,615.58)
New Jersey Achievement Grant		73,010.00	73,010.00	73,010.00	
Municipal Drug Alliance		12,000.00	12,000.00	12,000.00	
Total - State Sources	-	616,182.00	616,182.00	529,566.42	(86,615.58)
Federal Sources:					
N.C.L.B.:					
Title I	\$ 905,066.00	146,465.00	1,051,531.00	949,574.68	(101,956.32)
Title II - Part A	166,276.98	38,637.96	204,914.94	165,798.71	(39,116.23)
Title III	32,977.00	2,780.00	35,757.00	29,111.75	(6,645.25)
Title III Immigrant		6,289.00	6,289.00	5,586.25	(702.75)
I.D.E.A. Part B:					
Basic		1,824,175.00	1,824,175.00	1,711,431.61	(112,743.39)
Preschool		79,802.00	79,802.00	69,100.20	(10,701.80)
Total - Federal Sources	1,104,319.98	2,098,148.96	3,202,468.94	2,930,603.20	(271,865.74)
Total Revenues	1,104,319.98	2,714,330.96	3,818,650.94	3,460,169.62	(358,481.32)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 SPECIAL REVENUE FUND  
 Budgetary Comparison Schedule  
 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 Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 499,330.00	\$ (1,844.00)	\$ 497,486.00	\$ 487,810.52	\$ 9,675.48
Other Salaries for Instruction	126,570.00	(7,923.00)	118,647.00	70,058.46	48,588.54
Purchased Professional Educational Services	9,300.00	419,217.00	428,517.00	341,923.65	86,593.35
Other Purchased Services		19,150.00	19,150.00	13,571.78	5,578.22
Tuition		1,633,985.00	1,633,985.00	1,633,177.68	807.32
General Supplies	88,128.00	121,939.00	210,067.00	198,216.28	11,850.72
Textbooks		30,952.00	30,952.00	30,681.92	270.08
Other Objects		2,600.00	2,600.00	2,600.00	
Total Instruction	<u>723,328.00</u>	<u>2,218,076.00</u>	<u>2,941,404.00</u>	<u>2,778,040.29</u>	<u>163,363.71</u>
Support Services:					
Personal Services-Salaries	41,315.00	87,461.71	128,776.71	119,086.48	9,690.23
Personal Services-Employee Benefits	204,549.00	55,414.15	259,963.15	209,896.57	50,066.58
Purchased Professional Educational Services	108,276.98	188,732.09	297,009.07	169,118.28	127,890.79
Purchased Professional and Technical Services		25,800.00	25,800.00	21,922.21	3,877.79
Other Purchased Services	17,851.00	(6,559.00)	11,292.00	10,934.00	358.00
General Supplies	9,000.00	65,345.32	74,345.32	73,795.38	549.94
Other Objects		3,260.69	3,260.69	576.41	2,684.28
Total Support Services	<u>380,991.98</u>	<u>419,454.96</u>	<u>800,446.94</u>	<u>605,329.33</u>	<u>195,117.61</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	76,800.00	76,800.00	76,800.00	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>76,800.00</u>	<u>76,800.00</u>	<u>76,800.00</u>	<u>-</u>
Total Expenditures	<u>1,104,319.98</u>	<u>2,714,330.96</u>	<u>3,818,650.94</u>	<u>3,460,169.62</u>	<u>358,481.32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 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>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 113,496,798.56	\$ 3,460,169.62
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,871,911.00	
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(4,859,741.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 113,508,968.56</u>	<u>\$ 3,460,169.62</u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 109,752,755.98	\$ 3,460,169.62
Differences - Budget to GAAP:		
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>(5,330.00)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 109,752,755.98</u>	<u>\$ 3,454,839.62</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

SCHEDULES RELATED TO ACCOUNTING  
AND REPORTING FOR PENSIONS

**GLOUCESTER TOWNSHIP 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	0.1365256078%	0.1396445955%	0.1365048142%	0.1453286906%
School District's Proportionate Share of the Net Pension Liability	\$ 40,434,969.00	\$ 31,347,413.00	\$ 25,557,435.00	\$ 27,775,200.00
School District's Covered Payroll (Plan Measurement Period)	\$ 10,257,272.00	\$ 10,431,456.00	\$ 10,396,260.00	\$ 10,904,504.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	394.21%	300.51%	245.83%	254.71%
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.*

**GLOUCESTER TOWNSHIP 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>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,243,445.00	\$ 1,212,874.00	\$ 1,200,569.00	\$ 1,125,326.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,243,445.00)</u>	<u>(1,212,874.00)</u>	<u>(1,200,569.00)</u>	<u>(1,125,326.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 8,990,340.00	\$ 9,053,821.00	\$ 9,334,577.00	\$ 9,225,278.00
Contributions as a Percentage of School District's Covered Payroll	13.83%	13.40%	12.86%	12.20%

*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.*



**GLOUCESTER TOWNSHIP 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

	<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	0.00%	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>359,242,602.00</u>	<u>282,899,224.00</u>	<u>249,375,734.00</u>	<u>231,195,410.00</u>
	<u>\$ 359,242,602.00</u>	<u>\$ 282,899,224.00</u>	<u>\$ 249,375,734.00</u>	<u>\$ 231,195,410.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 54,505,568.00	\$ 54,728,692.00	\$ 53,208,424.00	\$ 53,736,876.00
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	659.09%	516.91%	468.68%	430.24%
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.*

**GLOUCESTER TOWNSHIP 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.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2017

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**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%.

**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%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	N.C.L.B.							Total Brought Forward
	Total	Title I	Title II Part A	Title III	Title III Immigrant	NJ Non-Public Security Aid	NJ Non-Public Technology Aid	
<b>REVENUES:</b>								
Federal Sources	\$ 2,930,603.20	\$ 949,574.68	\$ 165,798.71	\$ 29,111.75	\$ 5,586.25			\$ 1,780,531.81
State Sources	529,566.42					\$ 22,972.21	\$ 13,534.37	493,059.84
Total Revenues	<u>3,460,169.62</u>	<u>949,574.68</u>	<u>165,798.71</u>	<u>29,111.75</u>	<u>5,586.25</u>	<u>22,972.21</u>	<u>13,534.37</u>	<u>2,273,591.65</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	487,810.52	409,108.64	50,000.00	20,115.63	5,586.25			3,000.00
Other Salaries for Instruction	70,058.46	69,658.46						400.00
Purchased Professional Educational Services	341,923.65	1,140.00						340,783.65
Other Purchased Services	13,571.78		11,041.78					2,530.00
Tuition	1,633,177.68							1,633,177.68
General Supplies	198,216.28	190,112.16		8,104.12				
Textbooks	30,681.92							30,681.92
Other Objects	2,600.00							2,600.00
Total Instruction	<u>2,778,040.29</u>	<u>670,019.26</u>	<u>61,041.78</u>	<u>28,219.75</u>	<u>5,586.25</u>	<u>-</u>	<u>-</u>	<u>2,013,173.25</u>
Support Services:								
Personal Services-Salaries	119,086.48	16,315.00	5,700.00					97,071.48
Personal Services-Employee Benefits	209,896.57	162,068.42	42,133.01					5,695.14
Purchased Professional Educational Services	169,118.28	14,330.00	27,044.96					127,743.32
Purchased Professional and Technical Services	21,922.21					21,922.21		
Other Purchased Services	10,934.00	10,042.00		892.00				
General Supplies	73,795.38		29,878.96			1,050.00	12,975.87	29,890.55
Other Objects	576.41						558.50	17.91
Total Support Services	<u>605,329.33</u>	<u>202,755.42</u>	<u>104,756.93</u>	<u>892.00</u>	<u>-</u>	<u>22,972.21</u>	<u>13,534.37</u>	<u>260,418.40</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment	76,800.00	76,800.00	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>76,800.00</u>	<u>76,800.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 3,460,169.62</u>	<u>\$ 949,574.68</u>	<u>\$ 165,798.71</u>	<u>\$ 29,111.75</u>	<u>\$ 5,586.25</u>	<u>\$ 22,972.21</u>	<u>\$ 13,534.37</u>	<u>\$ 2,273,591.65</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	I.D.E.A. Part B		N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977			Total Brought Forward
		Basic	Preschool	Compensatory Education	ESL	Transportation	
<b>REVENUES:</b>							
Federal Sources	\$ 1,780,531.81	\$ 1,711,431.61	\$ 69,100.20				
State Sources	493,059.84			\$ 211,587.98	\$ 1,918.35	\$ 8,052.96	\$ 271,500.55
Total Revenues	<u>2,273,591.65</u>	<u>1,711,431.61</u>	<u>69,100.20</u>	<u>211,587.98</u>	<u>1,918.35</u>	<u>8,052.96</u>	<u>271,500.55</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	3,000.00						3,000.00
Other Salaries for Instruction	400.00						400.00
Purchased Professional Educational Services	340,783.65	3,914.00		211,587.98	1,918.35	8,052.96	115,310.36
Purchased Professional and Technical Services							
Tuition	1,633,177.68	1,564,077.48	69,100.20				
General Supplies							
Textbooks	30,681.92						30,681.92
Other Objects	2,600.00						2,600.00
Total Instruction	<u>2,013,173.25</u>	<u>1,567,991.48</u>	<u>69,100.20</u>	<u>211,587.98</u>	<u>1,918.35</u>	<u>8,052.96</u>	<u>154,522.28</u>
Support Services:							
Personal Services-Salaries	97,071.48						97,071.48
Personal Services-Employee Benefits	5,695.14						5,695.14
Purchased Professional Educational Services	127,743.32	125,890.13					1,853.19
Purchased Professional and Technical Services							
Other Purchased Professional Services							
Other Purchased Services							
General Supplies	29,890.55	17,550.00					12,340.55
Other Objects	17.91						17.91
Total Support Services	<u>260,418.40</u>	<u>143,440.13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,978.27</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 2,273,591.65</u>	<u>\$ 1,711,431.61</u>	<u>\$ 69,100.20</u>	<u>\$ 211,587.98</u>	<u>\$ 1,918.35</u>	<u>\$ 8,052.96</u>	<u>\$ 271,500.55</u>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	Total Carried <u>Forward</u>	NJ Non-Public Textbook <u>Aid</u>	NJ Non-Public Nursing Services <u>Aid</u>	N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977			New Jersey Coaches Achievement <u>Grant</u>	Municipal Drug <u>Alliance</u>
				<u>Examination and Classification</u>	<u>Corrective Speech</u>	<u>Supplementary Instruction</u>		
<b>REVENUES:</b>								
Federal Sources								
State Sources	\$ 271,500.55	\$ 30,681.92	\$ 46,498.27	\$ 34,399.06	\$ 50,977.95	\$ 23,933.35	\$ 73,010.00	\$ 12,000.00
Total Revenues	<u>271,500.55</u>	<u>30,681.92</u>	<u>46,498.27</u>	<u>34,399.06</u>	<u>50,977.95</u>	<u>23,933.35</u>	<u>73,010.00</u>	<u>12,000.00</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	3,000.00							3,000.00
Other Salaries for Instruction	400.00							400.00
Purchased Professional Educational Services	115,310.36			34,399.06	50,977.95	23,933.35		6,000.00
Purchased Professional and Technical Services								
Other Purchased Services	2,530.00						2,530.00	
Tuition								
General Supplies								
Textbooks	30,681.92	30,681.92						
Other Objects	2,600.00							2,600.00
Total Instruction	<u>154,522.28</u>	<u>30,681.92</u>	<u>-</u>	<u>34,399.06</u>	<u>50,977.95</u>	<u>23,933.35</u>	<u>2,530.00</u>	<u>12,000.00</u>
Support Services:								
Personal Services-Salaries	97,071.48		39,071.48				58,000.00	
Personal Services-Employee Benefits	5,695.14		5,310.96				384.18	
Purchased Professional Educational Services	1,853.19		1,853.19					
Purchased Professional and Technical Services								
Other Purchased Professional Services								
Other Purchased Services								
General Supplies	12,340.55		244.73				12,095.82	
Other Objects	17.91		17.91					
Total Support Services	<u>116,978.27</u>	<u>-</u>	<u>46,498.27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,480.00</u>	<u>-</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 271,500.55</u>	<u>\$ 30,681.92</u>	<u>\$ 46,498.27</u>	<u>\$ 34,399.06</u>	<u>\$ 50,977.95</u>	<u>\$ 23,933.35</u>	<u>\$ 73,010.00</u>	<u>\$ 12,000.00</u>



CAPITAL PROJECTS FUND

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2017

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures/Financing Uses to Date</u>		<u>Other Financing Uses</u>	<u>Unexpended Balance June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year Expenditures</u>		
a. Blackwood Elementary School Parking Lot Redesign and Paving	7-1-15	\$ 549,500.00	\$ 372,644.04	-	\$ 176,855.96	-
b. Erial Elementary School Parking Lot Redesign and Paving	7-1-15	600,500.00	452,458.69	-	148,041.31	-
c. Charles W. Lewis Middle School Installation of Emergency Generator	7-1-15	50,000.00	21,178.18	\$ 3,755.00	25,066.82	-
Total Projects Authorized		\$ 1,200,000.00	\$ 846,280.91	\$ 3,755.00	\$ 349,964.09	\$ -
Unexpended Balances Canceled:						
Transfer to Capital Reserve					\$ 349,964.09	

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis  
For the Fiscal Year Ended June 30, 2017

**Revenues:**

Interest Earned on Deposits	\$ 338.41
Total Revenues	338.41

**Expenditures:**

Construction Services	3,755.00
Total Expenditures	3,755.00

Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,416.59)
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## Other Financing Sources (Uses):

Transfer to Debt Service Fund--Interest Earned on Deposits	(338.41)
Transfer to Capital Reserve--Unexpended Projects	(349,964.09)

Total - Other Financing Sources (Uses)	(350,302.50)
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(353,719.09)
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Fund Balance -- July 1	353,719.09
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Fund Balance -- June 30	\$ -
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**GLOUCESTER TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Blackwood Elementary School Parking Lot Redesign and Paving  
From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 549,500.00	\$ (176,855.96)	\$ 372,644.04	\$ 372,644.04
Total Revenues	<u>549,500.00</u>	<u>(176,855.96)</u>	<u>372,644.04</u>	<u>372,644.04</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	49,500.00		49,500.00	49,500.00
Construction Services	<u>323,144.04</u>		<u>323,144.04</u>	<u>323,144.04</u>
Total Expenditures	<u>372,644.04</u>	<u>-</u>	<u>372,644.04</u>	<u>372,644.04</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 176,855.96</u>	<u>\$ (176,855.96)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Numbers	1780-020-15-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 550,000.00			
Additional Authorized Cost	(177,355.96)			
Revised Authorized Cost	\$ 372,644.04			
Percentage Decrease over Original Authorized	-32.25%			
Cost Percentage Completion	100.00%			
Original Target Completion Date	8-31-15			
Revised Target Completion Date	1-15-16			

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 Erial Elementary School Parking Lot Redesign and Paving  
 From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 600,500.00	\$ (148,041.31)	\$ 452,458.69	\$ 452,458.69
Total Revenues	<u>600,500.00</u>	<u>(148,041.31)</u>	<u>452,458.69</u>	<u>452,458.69</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Professional and Technical Services	50,293.75		50,293.75	50,293.75
Construction Services	<u>402,164.94</u>		<u>402,164.94</u>	<u>402,164.94</u>
Total Expenditures	<u>452,458.69</u>	<u>-</u>	<u>452,458.69</u>	<u>452,458.69</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 148,041.31</u>	<u>\$ (148,041.31)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Numbers	1780-050-15-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 600,000.00			
Additional Authorized Cost	(147,541.31)			
Revised Authorized Cost	\$ 452,458.69			
Percentage Decrease over Original Authorized	-24.59%			
Cost Percentage Completion	100.00%			
Original Target Completion Date	8-31-15			
Revised Target Completion Date	12-7-15			

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Charles W. Lewis Middle School Installation of Emergency Generator  
From Inception and for the Fiscal Year Ended June 30, 2017

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	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 50,000.00	\$ (25,066.82)	\$ 24,933.18	\$ 24,933.18
Total Revenues	<u>50,000.00</u>	<u>(25,066.82)</u>	<u>24,933.18</u>	<u>24,933.18</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>21,178.18</u>	<u>3,755.00</u>	<u>24,933.18</u>	<u>24,933.18</u>
Total Expenditures	<u>21,178.18</u>	<u>3,755.00</u>	<u>24,933.18</u>	<u>24,933.18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 28,821.82</u>	<u>\$ (28,821.82)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 50,000.00
Additional Authorized Cost	(25,066.82)
Revised Authorized Cost	\$ 24,933.18
Percentage Decrease over Original Authorized	-50.13%
Cost Percentage Completion	100.00%
Original Target Completion Date	6-30-17
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2017

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 267,870.31	\$ 1,299,572.76	\$ 1,567,443.07
Accounts Receivable:			
State	1,511.88		1,511.88
Federal	88,956.23		88,956.23
Other	3,961.27		3,961.27
Intrafunds Receivable	6,202.70		6,202.70
Inventories	21,825.10		21,825.10
Total Current Assets	<u>390,327.49</u>	<u>1,299,572.76</u>	<u>1,689,900.25</u>
Noncurrent Assets:			
Equipment	1,434,054.43	98,826.18	1,532,880.61
Less Accumulated Depreciation	<u>(1,297,207.05)</u>	<u>(95,350.86)</u>	<u>(1,392,557.91)</u>
Total Noncurrent Assets	<u>136,847.38</u>	<u>3,475.32</u>	<u>140,322.70</u>
Total Assets	<u>527,174.87</u>	<u>1,303,048.08</u>	<u>1,830,222.95</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	32,086.86	840.97	32,927.83
Intrafund Accounts Payable		6,202.70	6,202.70
Unearned Revenue	24,880.53	101,990.13	126,870.66
Total Current Liabilities	<u>56,967.39</u>	<u>109,033.80</u>	<u>166,001.19</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>114,270.00</u>	<u>45,378.00</u>	<u>159,648.00</u>
Total Liabilities	<u>171,237.39</u>	<u>154,411.80</u>	<u>325,649.19</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	136,847.38	3,475.32	140,322.70
Unrestricted	<u>219,090.10</u>	<u>1,145,160.96</u>	<u>1,364,251.06</u>
Total Net Position	<u>\$ 355,937.48</u>	<u>\$ 1,148,636.28</u>	<u>\$ 1,504,573.76</u>



**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 146,338.05		\$ 146,338.05
Daily Sales - Non-Reimbursable Programs	843,302.75		843,302.75
Special Functions	63,039.83		63,039.83
Community Service Activities		\$ 1,487,690.55	1,487,690.55
Miscellaneous	828.75		828.75
	<u>1,053,509.38</u>	<u>1,487,690.55</u>	<u>2,541,199.93</u>
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Salaries	892,925.26	478,262.24	1,371,187.50
Employee Benefits	626,351.08	364,454.46	990,805.54
Purchased Professional Services	30,862.00	11,618.00	42,480.00
Purchased Property Services		175,000.00	175,000.00
Cleaning, Repair and Maintenance Services	35,620.94		35,620.94
Communications/Telephone		6,458.20	6,458.20
Travel	885.55	196.78	1,082.33
General Supplies	62,246.77	43,200.71	105,447.48
Depreciation	32,706.22	1,520.91	34,227.13
Cost of Sales:			
Reimbursable Programs	726,124.29		726,124.29
Non-reimbursable Programs	186,820.00		186,820.00
Miscellaneous	999.92	27,869.29	28,869.21
	<u>2,595,542.03</u>	<u>1,108,580.59</u>	<u>3,704,122.62</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(1,542,032.65)</u>	<u>379,109.96</u>	<u>(1,162,922.69)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	27,502.94		27,502.94
Federal Sources:			
National School Lunch Program	1,141,720.84		1,141,720.84
National School Breakfast Program	311,294.74		311,294.74
After School Snack Program	8,809.50		8,809.50
Special Milk Program	291.07		291.07
Food Distribution Program	137,134.34		137,134.34
Interest and Investment Revenue	261.34	1,144.07	1,405.41
	<u>1,627,014.77</u>	<u>1,144.07</u>	<u>1,628,158.84</u>
Total Nonoperating Revenues (Expenses)			
Change in Net Position	84,982.12	380,254.03	465,236.15
Net Position -- July 1	<u>270,955.36</u>	<u>768,382.25</u>	<u>1,039,337.61</u>
Net Position -- June 30	<u>\$ 355,937.48</u>	<u>\$ 1,148,636.28</u>	<u>\$ 1,504,573.76</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Latchkey</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 1,047,614.63	\$ 1,481,067.76	\$ 2,528,682.39
Payments to Employees	(892,925.26)	(478,262.24)	(1,371,187.50)
Payments for Employee Benefits	(616,255.08)	(375,355.46)	(991,610.54)
Payments to Suppliers	<u>(1,007,436.21)</u>	<u>(259,401.35)</u>	<u>(1,266,837.56)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,469,001.92)</u>	<u>368,048.71</u>	<u>(1,100,953.21)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	26,851.65		26,851.65
Federal Sources	1,559,780.93		1,559,780.93
Operating Subsidies and Transfers to Other Funds	<u>(45,436.50)</u>	<u>(113,266.18)</u>	<u>(158,702.68)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,541,196.08</u>	<u>(113,266.18)</u>	<u>1,427,929.90</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	<u>(31,974.35)</u>	<u>-</u>	<u>(31,974.35)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(31,974.35)</u>	<u>-</u>	<u>(31,974.35)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	<u>261.34</u>	<u>1,144.07</u>	<u>1,405.41</u>
Net Cash Provided by (used for) Investing Activities	<u>261.34</u>	<u>1,144.07</u>	<u>1,405.41</u>
Net Increase (Decrease) in Cash and Cash Equivalents	40,481.15	255,926.60	296,407.75
Cash and Cash Equivalents -- July 1	<u>227,389.16</u>	<u>1,043,646.16</u>	<u>1,271,035.32</u>
Cash and Equivalents -- June 30	<u>\$ 267,870.31</u>	<u>\$ 1,299,572.76</u>	<u>\$ 1,567,443.07</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,542,032.65)	\$ 379,109.96	\$ (1,162,922.69)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	32,706.22	1,520.91	34,227.13
(Increase) Decrease in Inventories	4,147.28		4,147.28
(Increase) Decrease in Accounts Receivable, net	(798.39)		(798.39)
(Increase) Decrease in Interfund Accounts Receivable	(6,202.70)		(6,202.70)
Increase (Decrease) in Accounts Payable	31,975.98	(1,261.07)	30,714.91
Increase (Decrease) in Interfund Accounts Payable		6,202.70	6,202.70
Increase (Decrease) in Unearned Revenue	1,106.34	(6,622.79)	(5,516.45)
Increase (Decrease) in Accrued Salaries Benefits	<u>10,096.00</u>	<u>(10,901.00)</u>	<u>(805.00)</u>
Total Adjustments	<u>73,030.73</u>	<u>(11,061.25)</u>	<u>61,969.48</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,469,001.92)</u>	<u>\$ 368,048.71</u>	<u>\$ (1,100,953.21)</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Governmental Activities - Internal Service Fund  
 Transportation Services  
 Statement of Net Position  
 June 30, 2017

**ASSETS:**

## Current Assets:

Cash and Cash Equivalents	\$ 653,334.33	
Receivables from Other Governments	404,459.00	

Total Current Assets		1,057,793.33
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## Noncurrent Assets:

Equipment	5,443,770.06	
Less Accumulated Depreciation	(3,941,753.76)	

Total Noncurrent Assets		1,502,016.30
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Total Assets		2,559,809.63
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**LIABILITIES:**

## Current Liabilities:

Accounts Payable	23,337.26	
Interfund Accounts Payable	612,935.21	
Estimated Worker's Compensation Claims Payable	107,656.00	

Total Current Liabilities		743,928.47
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Total Liabilities		743,928.47
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**NET POSITION:**

Net Investment in Capital Assets	1,502,016.30	
Unrestricted	313,864.86	

Total Net Position		\$ 1,815,881.16
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**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Governmental Activities - Internal Service Fund  
 Transportation Services  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2017

**OPERATING REVENUES:**

Charges for Service:	
Transportation Fees from LEA	\$ 3,263,837.79
Transportation Fees from Other LEAs Within the State	<u>1,494,913.00</u>
Total Operating Revenues	<u>4,758,750.79</u>
<b>OPERATING EXPENSES:</b>	
Salaries	1,702,526.71
Employee Benefits	1,321,247.57
Purchased Professional Services	19,511.32
Cleaning, Repair and Maintenance Services	102,689.72
Other Purchased Services:	
Contracted Services (Other Than Between Home & School) - Vendors	294,858.75
Insurance	147,794.00
Miscellaneous	380.00
Transportation Supplies	166,296.13
Gasoline	200,403.68
Depreciation	330,620.62
Miscellaneous	<u>34,231.38</u>
Total Operating Expenses	<u>4,320,559.88</u>
Operating Income (Loss)	<u>438,190.91</u>
Change in Net Position	<u>438,190.91</u>
Net Position -- July 1	<u>1,377,690.25</u>
Net Position--June 30	<u><u>\$ 1,815,881.16</u></u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
 Governmental Activities - Internal Service Fund  
 Transportation Services  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers	\$ 5,747,049.79
Payments to Employees	(1,702,526.71)
Payments for Employee Benefits	(1,319,535.57)
Payments to Suppliers	<u>(954,383.70)</u>
Net Cash Provided by (used for) Operating Activities	<u>1,770,603.81</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Interfunds Payable	<u>(565,728.28)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(565,728.28)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Purchase of Capital Assets	<u>(551,541.20)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(551,541.20)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	653,334.33
Cash and Equivalents -- June 30	<u>-</u>
Cash and Equivalents -- June 30	<u><u>\$ 653,334.33</u></u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)  
 by Operating Activities:**

Operating Income (Loss)	\$ 438,190.91
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	330,620.62
(Increase) Decrease in Accounts Receivable, net	988,299.00
Increase (Decrease) in Accounts Payable	11,781.28
Increase (Decrease) in Estimated Worker's Comp Claims Payable	<u>1,712.00</u>
Total Adjustments	<u>1,332,412.90</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ 1,770,603.81</u></u>

FIDUCIARY FUNDS

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Combining Statement of Fiduciary Net Position  
June 30, 2017

	Private-Purpose Trust Fund	Agency Funds		
	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,377,387.21	\$ 166,802.96	\$ 91,042.33	\$ 1,635,232.50
Receivables from Other Governments			3,243.74	3,243.74
Intrafund Accounts Receivable	29,607.21			29,607.21
Accounts Receivable		4,284.00		4,284.00
	<u>1,406,994.42</u>	<u>\$ 171,086.96</u>	<u>\$ 94,286.07</u>	<u>1,672,367.45</u>
Total Assets				
<b>LIABILITIES:</b>				
Accounts Payable	6,852.63			6,852.63
Interfund Accounts Payable			\$ 19,196.81	19,196.81
Intrafund Accounts Payable			29,607.21	29,607.21
Payable to Student Groups		\$ 171,086.96		171,086.96
Payroll Deductions and Withholdings			45,482.05	45,482.05
	<u>6,852.63</u>	<u>\$ 171,086.96</u>	<u>\$ 94,286.07</u>	<u>272,225.66</u>
Total Liabilities				
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>1,400,141.79</u>			<u>1,400,141.79</u>
Total Net Position	<u>\$ 1,400,141.79</u>			<u>\$ 1,400,141.79</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2017

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	<u>Private-Purpose Trust Fund</u>
	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Employee Salary Deductions	\$ 98,439.06
Investment Earnings:	
Interest	<u>1,285.78</u>
Total Additions	<u>99,724.84</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>54,264.41</u>
Total Deductions	<u>54,264.41</u>
Change in Net Position	45,460.43
Net Position -- July 1	<u>1,354,681.36</u>
Net Position -- June 30	<u><u>\$ 1,400,141.79</u></u>



**GLOUCESTER TOWNSHIP 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</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ELEMENTARY SCHOOLS:</b>				
Blackwood Elementary	\$ 16,879.78	\$ 10,029.04	\$ 10,714.17	\$ 16,194.65
Chews Elementary	6,207.63	16,855.76	13,098.35	9,965.04
Erial Elementary	14,702.87	23,218.21	25,379.64	12,541.44
Glendora Elementary	1,172.65	11,280.51	11,242.76	1,210.40
Union Valley Elementary	19,004.56	32,463.23	28,906.35	22,561.44
Gloucester Township Elementary	1,777.56	12,461.25	11,291.69	2,947.12
Loring-Flemming Elementary	14,484.90	25,287.33	25,361.88	14,410.35
James W. Lilley, Jr. Elementary	2,939.13	18,839.95	18,931.13	2,847.95
<b>MIDDLE SCHOOLS:</b>				
Glen Landing Middle School	18,902.25	126,002.00	117,074.63	27,829.62
Charles W. Lewis, Jr. Middle School	25,377.25	82,922.57	69,193.65	39,106.17
Ann Mullen Middle School	38,698.68	108,644.64	130,154.54	17,188.78
	<u>38,698.68</u>	<u>108,644.64</u>	<u>130,154.54</u>	<u>17,188.78</u>
<b>Total All Schools</b>	<b><u>\$ 160,147.26</u></b>	<b><u>\$ 468,004.49</u></b>	<b><u>\$ 461,348.79</u></b>	<b><u>\$ 166,802.96</u></b>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

	<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	\$ 358,057.70	\$ 68,488,122.57	\$ 68,755,137.94	\$ 91,042.33
Receivables from Other Governments	<u>95,620.65</u>	<u>1,601.29</u>	<u>93,978.20</u>	<u>3,243.74</u>
	<u>\$ 1,696,471.19</u>	<u>\$ 68,489,723.86</u>	<u>\$ 68,849,116.14</u>	<u>\$ 94,286.07</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 318,619.25	\$ 32,133,609.40	\$ 32,406,746.60	\$ 45,482.05
Net Payroll		36,256,933.46	36,256,933.46	
Intrafund Accounts Payable	97,280.82	98,439.06	166,112.67	29,607.21
Interfund Accounts Payable: Due to General Fund	<u>37,778.28</u>	<u>741.94</u>	<u>19,323.41</u>	<u>19,196.81</u>
Total Liabilities	<u>\$ 1,696,471.19</u>	<u>\$ 68,489,723.86</u>	<u>\$ 68,849,116.14</u>	<u>\$ 94,286.07</u>

LONG-TERM DEBT

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

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2016	Issued	Decreased	Balance June 30, 2017
			Date	Amount					
Emergent replacement and reconstruction of the roofs at the Charles Lewis Middle School, Glen Landing Middle School & the J.W. Lilley Elementary School	3-1-07	\$ 7,806,000.00	-	-	-	\$ 5,281,000.00		\$ 5,281,000.00	
Refunding Bonds, Series 2011	9-1-11	4,175,000.00	8-1-17	\$ 875,000.00	2.500%	1,720,000.00		845,000.00	\$ 875,000.00
Refunding Bonds, Series 2013	5-8-13	7,430,000.00	8-1-17	1,845,000.00	2.000%	3,705,000.00		1,860,000.00	1,845,000.00
Refunding Bonds, Series 2016	10-6-16	4,570,000.00	3-1-18	455,000.00	4.000%				
			3-1-19	965,000.00	4.000%				
			3-1-20	1,010,000.00	4.000%				
			3-1-21	1,050,000.00	4.000%				
			3-1-22	1,090,000.00	4.000%				
							\$ 4,570,000.00		4,570,000.00
						<u>\$ 10,706,000.00</u>	<u>\$ 4,570,000.00</u>	<u>\$ 7,986,000.00</u>	<u>\$ 7,290,000.00</u>
Paid by Budget Appropriation								\$ 3,180,000.00	
Refunded								4,806,000.00	
								<u>\$ 7,986,000.00</u>	

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

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<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>Issued</u>	<u>Amount Outstanding June 30, 2017</u>
			<u>Principal</u>	<u>Interest</u>			
Telecommunications System	5-18-17	5 years	\$ 567,485.00	\$ 60,842.75	3.300%	\$ 567,485.00	\$ 567,485.00
						<u>\$ 567,485.00</u>	<u>\$ 567,485.00</u>

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,419,658.00		\$ 2,419,658.00	\$ 2,419,658.00	
Debt Service Aid Type II	<u>1,050,839.00</u>		<u>1,050,839.00</u>	<u>1,050,839.00</u>	
Total Revenues	<u>3,470,497.00</u>	-	<u>3,470,497.00</u>	<u>3,470,497.00</u>	-
<b>EXPENDITURES:</b>					
Bond Issuance Costs	-	-	-	102,594.15	\$ (102,594.15)
Regular Debt Service:					
Interest on Bonds	291,520.00		291,520.00	272,031.55	19,488.45
Redemption of Principal	<u>3,180,000.00</u>		<u>3,180,000.00</u>	<u>3,180,000.00</u>	
Total Regular Debt Service	<u>3,471,520.00</u>	-	<u>3,471,520.00</u>	<u>3,452,031.55</u>	<u>19,488.45</u>
Total Expenditures	<u>3,471,520.00</u>	-	<u>3,471,520.00</u>	<u>3,554,625.70</u>	<u>(83,105.70)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,023.00)</u>	-	<u>(1,023.00)</u>	<u>(84,128.70)</u>	<u>(83,105.70)</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
Interest Earned in Capital Projects Fund				338.41	338.41
Proceeds of Refunding Bonds				4,570,000.00	4,570,000.00
Premium on Refunding Bonds				426,620.15	426,620.15
Payment to Refunded Bond Escrow Account				<u>(4,894,026.00)</u>	<u>(4,894,026.00)</u>
Total - Other Financing Sources (Uses)	-	-	-	<u>102,932.56</u>	<u>102,932.56</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,023.00)	-	(1,023.00)	18,803.86	19,826.86
Fund Balance, July 1	<u>1,023.64</u>	-	<u>1,023.64</u>	<u>1,751.12</u>	<u>727.48</u>
Fund Balance, June 30	<u>\$ 0.64</u>	<u>\$ -</u>	<u>\$ 0.64</u>	<u>\$ 20,554.98</u>	<u>\$ 20,554.34</u>
Restricted for:					
Debt Service				\$ 19,826.98	
Debt Service--Designated for Subsequent Year's Expenditures				<u>728.00</u>	
				<u>\$ 20,554.98</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.



**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 43,564,511	\$ 41,061,947	\$ 38,782,919	\$ 34,842,051	\$ 32,198,818	\$ 29,088,160	\$ 26,644,828	\$ 24,224,862	\$ 20,037,664	\$ 14,532,158
Restricted	14,992,909	12,827,598	11,649,639	14,330,032	15,016,313	13,483,865	10,424,564	9,212,439	8,635,537	9,599,453
Unrestricted (Deficit)	<u>(29,305,262)</u>	<u>(25,913,156)</u>	<u>(25,573,942)</u>	<u>(124,794)</u>	<u>1,404,525</u>	<u>2,393,957</u>	<u>1,863,826</u>	<u>(2,277,652)</u>	<u>287,370</u>	<u>733,046</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 29,252,158</u>	<u>\$ 27,976,389</u>	<u>\$ 24,858,616</u>	<u>\$ 49,047,290</u>	<u>\$ 48,619,656</u>	<u>\$ 44,965,982</u>	<u>\$ 38,933,218</u>	<u>\$ 31,159,650</u>	<u>\$ 28,960,571</u>	<u>\$ 24,864,657</u>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 140,323	\$ 142,575	\$ 184,424	\$ 219,658	\$ 179,536	\$ 181,693	\$ 164,736	\$ 197,860	\$ 245,156	\$ 235,083
Unrestricted	<u>1,364,251</u>	<u>896,762</u>	<u>667,221</u>	<u>639,319</u>	<u>1,021,358</u>	<u>1,243,111</u>	<u>1,425,065</u>	<u>1,280,213</u>	<u>930,153</u>	<u>998,416</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 1,504,574</u>	<u>\$ 1,039,338</u>	<u>\$ 851,645</u>	<u>\$ 858,978</u>	<u>\$ 1,200,894</u>	<u>\$ 1,424,805</u>	<u>\$ 1,589,801</u>	<u>\$ 1,478,073</u>	<u>\$ 1,175,309</u>	<u>\$ 1,233,499</u>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 43,704,834	\$ 41,204,523	\$ 38,967,343	\$ 35,061,710	\$ 32,378,354	\$ 29,269,853	\$ 26,809,564	\$ 24,422,722	\$ 20,282,820	\$ 14,767,241
Restricted	14,992,909	12,827,598	11,649,639	14,330,032	15,016,313	13,483,865	10,424,564	9,212,439	8,635,537	9,599,453
Unrestricted	<u>(27,941,011)</u>	<u>(25,016,394)</u>	<u>(24,906,721)</u>	<u>514,526</u>	<u>2,425,883</u>	<u>3,637,069</u>	<u>3,288,891</u>	<u>(997,439)</u>	<u>1,217,523</u>	<u>1,731,462</u>
<b>Total Government-wide Net Position</b>	<u>\$ 30,756,732</u>	<u>\$ 29,015,727</u>	<u>\$ 25,710,261</u>	<u>\$ 49,906,268</u>	<u>\$ 49,820,550</u>	<u>\$ 46,390,787</u>	<u>\$ 40,523,019</u>	<u>\$ 32,637,723</u>	<u>\$ 30,135,880</u>	<u>\$ 26,098,156</u>

(1) Amounts for the years 2017, 2016 and 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.

Source: CAFR Exhibit A-1

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 37,127,571	\$ 35,954,609	\$ 35,703,761	\$ 35,559,017	\$ 34,354,778	\$ 35,280,362	\$ 33,720,137	\$ 34,914,795	\$ 36,687,064	\$ 35,543,903
Special Education	10,074,220	10,046,573	9,927,724	9,693,153	9,300,264	9,238,521	8,724,619	8,566,433	7,739,290	7,158,935
Other Instruction	1,723,503	1,800,847	1,846,099	1,829,108	2,044,579	2,042,166	2,139,988	2,301,655	1,041,211	1,036,544
Nonpublic School Programs	232	232	581	732	836	1,157	1,364	1,251	1,038	1,408
Community Service Programs	1,539	1,549	3,998	6,724	3,596	6,000	6,000	4,112	5,000	5,073
Support Services:										
Tuition	5,960,812	5,412,746	5,511,133	5,396,982	4,914,497	4,002,479	3,434,398	4,429,492	4,038,304	4,452,388
Student and Instruction Related Services	8,760,980	8,582,763	8,413,105	8,428,324	8,519,392	8,718,777	8,343,288	8,864,935	7,289,210	6,949,211
School Administrative Services	3,531,135	3,329,433	3,351,440	3,332,941	3,133,103	3,193,051	3,202,290	3,406,533	3,316,860	3,224,783
General and Business Administrative Services	3,362,920	3,279,119	3,213,482	3,240,029	3,063,471	3,156,096	3,229,557	3,267,739	3,388,368	3,352,928
Plant Operations and Maintenance	7,594,093	7,365,031	7,517,517	7,793,024	6,282,657	6,371,859	6,606,280	6,920,385	6,874,832	6,604,800
Pupil Transportation	8,121,945	8,045,834	8,022,599	8,901,381	8,408,098	7,868,327	7,738,205	7,564,362	7,584,227	7,758,031
Unallocated Benefits	54,708,520	42,891,639	37,045,293	24,925,354	25,518,151	22,759,680	20,275,643	20,902,949	18,914,151	20,779,423
Special Schools								132,134	69,257	86,549
Transfer to Charter Schools	1,485,113	1,600,693	1,499,077	1,383,870	1,273,339	1,088,627	45,965	73,355	39,089	4,478
Interest on Long-term Debt	226,553	358,783	531,502	586,771	938,063	1,146,507	1,315,649	1,381,975	1,580,531	1,546,381
Amortization of Bond Issuance Costs					200,825	38,067	25,612	26,004	30,323	30,983
<b>Total Governmental Activities Expenses</b>	<b>142,679,135</b>	<b>128,669,851</b>	<b>122,587,311</b>	<b>111,077,410</b>	<b>107,955,649</b>	<b>104,911,675</b>	<b>98,808,996</b>	<b>102,758,111</b>	<b>98,598,755</b>	<b>98,535,818</b>
Business-type Activities:										
Food Service	2,595,542	2,608,148	2,664,658	2,824,690	2,789,512	2,869,290	2,854,773	2,846,508	3,317,590	3,302,840
Latchkey	1,108,581	1,110,493	1,155,814	1,427,860	1,458,663	1,401,800	1,341,495	1,369,907	1,379,537	1,482,746
<b>Total Business-type Activities Expense</b>	<b>3,704,123</b>	<b>3,718,642</b>	<b>3,820,471</b>	<b>4,252,550</b>	<b>4,248,175</b>	<b>4,271,091</b>	<b>4,196,268</b>	<b>4,216,415</b>	<b>4,697,127</b>	<b>4,785,586</b>
<b>Total District Expenses</b>	<b>\$ 146,383,258</b>	<b>\$ 132,388,492</b>	<b>\$ 126,407,782</b>	<b>\$ 115,329,960</b>	<b>\$ 112,203,824</b>	<b>\$ 109,182,766</b>	<b>\$ 103,005,264</b>	<b>\$ 106,974,525</b>	<b>\$ 103,295,883</b>	<b>\$ 103,321,404</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services	\$ 1,494,913	\$ 1,392,758	\$ 1,459,123	\$ 1,670,853	\$ 1,691,965	\$ 1,605,339	\$ 1,518,767	\$ 1,535,238	\$ 1,659,218	\$ 1,503,322
Operating Grants and Contributions	38,206,161	28,538,610	24,041,996	11,881,465	13,449,353	13,009,717	11,308,318	10,767,885	10,800,091	14,407,133
Capital Grants and Contributions									2,323	
<b>Total Governmental Activities Program Revenues</b>	<b>39,701,074</b>	<b>29,931,368</b>	<b>25,501,119</b>	<b>13,552,318</b>	<b>15,141,318</b>	<b>14,615,056</b>	<b>12,827,086</b>	<b>12,303,123</b>	<b>12,461,632</b>	<b>15,910,455</b>
Business-type activities:										
Charges for Services:										
Food service	1,053,509	1,073,439	1,112,365	1,230,905	1,325,356	1,469,814	1,585,916	1,739,489	1,705,853	1,644,698
Latchkey	1,487,691	1,333,888	1,233,626	1,171,266	1,289,464	1,306,669	1,371,994	1,349,443	1,331,417	1,376,169
Operating Grants and Contributions	1,626,753	1,505,664	1,466,162	1,506,822	1,405,552	1,316,283	1,229,224	1,217,946	1,190,256	1,167,965
<b>Total Business-type Activities Program Revenues</b>	<b>4,167,953</b>	<b>3,912,991</b>	<b>3,812,152</b>	<b>3,908,992</b>	<b>4,020,372</b>	<b>4,092,767</b>	<b>4,187,134</b>	<b>4,306,878</b>	<b>4,227,526</b>	<b>4,188,832</b>
<b>Total District Program Revenues</b>	<b>\$ 43,869,028</b>	<b>\$ 33,844,359</b>	<b>\$ 29,313,272</b>	<b>\$ 17,461,311</b>	<b>\$ 19,161,690</b>	<b>\$ 18,707,823</b>	<b>\$ 17,014,220</b>	<b>\$ 16,610,001</b>	<b>\$ 16,689,158</b>	<b>\$ 20,099,287</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (102,978,061)	\$ (98,738,482)	\$ (97,086,191)	\$ (97,525,092)	\$ (92,814,332)	\$ (90,296,619)	\$ (85,981,910)	\$ (90,454,987)	\$ (86,137,123)	\$ (82,625,363)
Business-type Activities	463,831	194,349	(8,319)	(343,558)	(227,803)	(178,324)	(9,134)	90,463	(469,601)	(596,754)
<b>Total District-wide Net Expense</b>	<b>\$ (102,514,230)</b>	<b>\$ (98,544,134)</b>	<b>\$ (97,094,511)</b>	<b>\$ (97,868,650)</b>	<b>\$ (93,042,134)</b>	<b>\$ (90,474,942)</b>	<b>\$ (85,991,044)</b>	<b>\$ (90,364,524)</b>	<b>\$ (86,606,724)</b>	<b>\$ (83,222,117)</b>

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 47,270,580	\$ 45,456,852	\$ 43,756,246	\$ 41,692,469	\$ 40,874,970	\$ 40,435,550	\$ 39,936,815	\$ 38,400,784	\$ 38,400,784	\$ 39,707,454
Taxes Levied for Debt Service	2,419,658	2,126,400	2,035,444	2,001,320	2,637,923	2,600,478	2,787,851	2,442,713	2,469,323	2,188,166
Unrestricted Grants and Contributions	53,520,924	53,279,669	53,835,583	52,756,189	52,146,826	52,639,922	50,209,897	51,536,431	49,070,636	41,468,248
Investment Earnings	22,630	19,093	19,386	19,927	45,997	144,417	179,239	121,471	144,421	596,176
Other	1,095,674	993,532	800,229	1,027,047	762,289	514,107	744,687	356,027	581,179	559,911
Disposal of Assets										
Gain/(Loss) on Disposal of Capital Assets	(75,637)	(19,290)		490,728		(332)	(3,010)	(3,361)	(33,305)	(5,714)
Canceled Accounts Receivables/Payables				(34,953)		(4,759)				
Transfers							(100,000)	(200,000)	(400,000)	(335,000)
<b>Total Governmental Activities</b>	<b>104,253,830</b>	<b>101,856,255</b>	<b>100,446,888</b>	<b>97,952,727</b>	<b>96,468,005</b>	<b>96,329,383</b>	<b>93,755,479</b>	<b>92,654,066</b>	<b>90,233,038</b>	<b>84,179,241</b>
Business-type Activities:										
Investment Earnings	1,405	1,156	986	1,641	3,892	13,327	20,862	12,302	12,117	49,430
Disposal of Assets		(7,812)							(707)	
Transfers							100,000	200,000	400,000	335,000
<b>Total Business-type Activities</b>	<b>1,405</b>	<b>(6,656)</b>	<b>986</b>	<b>1,641</b>	<b>3,892</b>	<b>13,327</b>	<b>120,862</b>	<b>212,302</b>	<b>411,410</b>	<b>384,430</b>
<b>Total District-wide</b>	<b>\$ 104,255,235</b>	<b>\$ 101,849,600</b>	<b>\$ 100,447,874</b>	<b>\$ 97,954,368</b>	<b>\$ 96,471,898</b>	<b>\$ 96,342,710</b>	<b>\$ 93,876,341</b>	<b>\$ 92,866,367</b>	<b>\$ 90,644,448</b>	<b>\$ 84,563,671</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 1,275,769	\$ 3,117,773	\$ 3,360,697	\$ 427,635	\$ 3,653,673	\$ 6,032,764	\$ 7,773,569	\$ 2,199,078	\$ 4,095,915	\$ 1,553,878
Business-type Activities	465,236	187,693	(7,333)	(341,917)	(223,910)	(164,997)	111,728	302,765	(58,191)	(212,324)
<b>Total District</b>	<b>\$ 1,741,005</b>	<b>\$ 3,305,466</b>	<b>\$ 3,353,364</b>	<b>\$ 85,718</b>	<b>\$ 3,429,763</b>	<b>\$ 5,867,767</b>	<b>\$ 7,885,297</b>	<b>\$ 2,501,843</b>	<b>\$ 4,037,724</b>	<b>\$ 1,341,554</b>

(1) Amounts for the years 2017, 2016 and 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.

Source: CAFR Exhibit A-2

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008
General Fund:										
Reserved								\$ 7,000,692	\$ 7,057,333	\$ 7,590,634
Unreserved								(1,313,067)	1,380,048	1,985,084
Restricted	\$ 14,992,909	\$ 12,473,879	\$ 11,440,951	\$ 13,743,531	\$ 14,039,671	\$ 12,245,059	\$ 8,411,864			
Assigned	498,058	1,469,982	1,424,287	355,699	282,398	1,210,942	944,795			
Unassigned	2,950,008	3,087,291	2,507,044	1,349,502	2,491,812	2,249,048	1,916,516			
<b>Total General Fund</b>	<b><u>\$ 18,440,975</u></b>	<b><u>\$ 17,031,151</u></b>	<b><u>\$ 15,372,282</u></b>	<b><u>\$ 15,448,731</u></b>	<b><u>\$ 16,813,881</u></b>	<b><u>\$ 15,705,050</u></b>	<b><u>\$ 11,273,174</u></b>	<b><u>\$ 5,687,625</u></b>	<b><u>\$ 8,437,381</u></b>	<b><u>\$ 9,575,717</u></b>
All Other Governmental Funds:										
Reserved								\$ 977,891	\$ 54,071	\$ 189,202
Unreserved, Reported in:										
Special Revenue Fund										139,696
Capital Projects Fund								1,350,493	1,641,800	1,716,800
Debt Service Fund								36,924	131,484	245,135
Restricted, Reported in:										
Capital Projects Fund		\$ 353,719	\$ 259,038	\$ 654,079	\$ 1,103,047	\$ 1,378,047	\$ 2,202,000			
Debt Service Fund	\$ 20,555	1,751	97,504	100,118	56,587	67,834	28,666			
<b>Total All Other Governmental Funds</b>	<b><u>\$ 20,555</u></b>	<b><u>\$ 355,470</u></b>	<b><u>\$ 356,541</u></b>	<b><u>\$ 754,197</u></b>	<b><u>\$ 1,159,634</u></b>	<b><u>\$ 1,445,881</u></b>	<b><u>\$ 2,230,666</u></b>	<b><u>\$ 2,365,308</u></b>	<b><u>\$ 1,827,355</u></b>	<b><u>\$ 2,290,833</u></b>

(1) GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Source: CAFR Exhibit B-1

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Tax Levy	\$ 49,690,238	\$ 47,583,252	\$ 45,791,690	\$ 43,693,789	\$ 43,512,893	\$ 43,036,028	\$ 42,724,666	\$ 40,843,497	\$ 40,870,107	\$ 41,895,620
Other Local Revenue	1,118,304	1,012,625	819,615	1,046,974	808,286	644,720	923,926	477,498	715,600	1,155,547
State Sources	66,471,831	64,874,515	63,782,713	61,783,441	62,190,240	59,334,692	57,235,139	50,531,209	56,571,208	52,792,299
Federal Sources	3,154,270	3,152,976	3,095,973	2,854,213	3,405,939	6,314,947	4,283,076	11,773,108	3,301,841	3,083,082
<b>Total Revenue</b>	<b>120,434,644</b>	<b>116,623,368</b>	<b>113,489,992</b>	<b>109,378,417</b>	<b>109,917,358</b>	<b>109,330,388</b>	<b>105,166,807</b>	<b>103,625,312</b>	<b>101,458,757</b>	<b>98,926,548</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	36,057,164	34,842,859	34,558,348	34,440,363	33,172,708	34,079,062	32,487,319	33,659,674	35,384,271	34,203,059
Special Education Instruction	10,074,220	10,046,573	9,927,724	9,693,153	9,300,264	9,238,521	8,724,619	8,566,433	7,739,290	7,158,935
Other	245,415	211,986	270,564	261,685	250,275	253,942	356,683	512,546	421,003	443,977
School-Sponsored/Other Instructional	1,473,383	1,585,259	1,574,442	1,538,107	1,759,682	1,755,496	1,752,614	1,759,030	589,350	561,221
Community Services	1,539	1,549	3,998	6,724	3,596	6,000	6,000	4,112	5,000	5,073
Support Services:										
Tuition	5,960,812	5,412,746	5,511,133	5,396,982	4,914,497	4,002,479	3,434,398	4,429,492	4,038,304	4,452,388
Student and Instruction Related Services	8,746,842	8,568,656	8,399,761	8,421,590	8,511,056	8,711,114	8,336,331	8,859,517	7,285,902	6,946,488
School Administrative Services	3,524,318	3,321,983	3,340,311	3,299,183	3,095,497	3,156,084	3,169,321	3,374,391	3,285,368	3,192,978
Other Administrative Services	3,220,014	3,121,721	3,047,584	3,073,636	2,897,356	3,021,415	3,134,785	3,189,082	3,307,118	3,271,177
Plant Operations and Maintenance	6,848,097	6,668,791	6,958,959	7,229,358	5,894,593	6,046,479	6,336,519	6,655,639	6,833,966	6,573,787
Pupil Transportation	3,758,076	3,150,677	3,273,597	3,273,807	3,126,901	2,892,064	2,805,574	2,701,599	2,814,058	3,123,922
Unallocated Benefits	30,060,216	28,186,583	26,124,881	24,453,376	25,246,307	22,660,680	20,230,114	21,048,536	18,871,959	20,840,078
Special Schools								132,134	69,257	86,549
Transfer to Charter Schools	1,485,113	1,600,693	1,499,077	1,383,870	1,273,339	1,088,627	45,965	73,355	39,089	4,478
Debt Service:										
Principal	3,180,000	3,130,000	3,035,000	3,015,790	3,540,789	3,285,789	3,060,789	2,950,789	2,750,789	2,430,789
Interest and Other Charges	272,032	368,164	432,955	484,589	825,738	1,004,806	1,194,791	1,322,621	1,734,282	1,228,338
Capital Outlay	1,858,736	1,345,341	2,748,941	1,596,547	1,791,628	1,225,300	1,578,257	3,296,024	4,075,815	3,830,272
<b>Total Expenditures</b>	<b>116,765,976</b>	<b>111,563,579</b>	<b>110,707,275</b>	<b>107,568,760</b>	<b>105,604,226</b>	<b>102,427,859</b>	<b>96,654,081</b>	<b>102,534,975</b>	<b>99,244,821</b>	<b>98,353,509</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,668,667	5,059,789	2,782,717	1,809,657	4,313,131	6,902,529	8,512,727	1,090,337	2,213,936	573,039
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)	567,485									
Sale of Bonds	4,570,000.00				7,430,000	4,175,000				
Premium on Sale of Bonds	426,620.15				189,532	171,551				
Payment to Refunded Debt Escrow Agent	(4,894,026.00)				(7,521,799)	(4,265,026)				
Costs of Issuance					(97,733)	(81,524)				
Accounts Receivable/Payable Canceled				(34,953)		(4,759)				
Transfers In					2,635,719	514,186	510,401	2,044,906	3,672,865	108,340
Transfers Out	(3,263,838)	(3,401,990)	(3,256,823)	(3,545,290)	(6,126,265)	(3,764,866)	(3,572,221)	(5,347,045)	(7,488,616)	(3,477,644)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,593,759)</b>	<b>(3,401,990)</b>	<b>(3,256,823)</b>	<b>(3,580,243)</b>	<b>(3,490,547)</b>	<b>(3,255,439)</b>	<b>(3,061,820)</b>	<b>(3,302,139)</b>	<b>(3,815,751)</b>	<b>(3,369,304)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,074,909</b>	<b>\$ 1,657,799</b>	<b>\$ (474,105)</b>	<b>\$ (1,770,586)</b>	<b>\$ 822,585</b>	<b>\$ 3,647,090</b>	<b>\$ 5,450,907</b>	<b>\$ (2,211,802)</b>	<b>\$ (1,601,815)</b>	<b>\$ (2,796,265)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.0%	3.2%	3.2%	3.3%	4.2%	4.2%	4.5%	4.3%	4.7%	3.9%

Source: CAFR Exhibit B-2

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 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>
Tuition								\$ 12,351.57	\$ 60,138.64	\$ 21,568.00
Prior Year Tuition Adjustments	\$ 79,246.44	\$ 94,272.00	\$ 4,681.80	\$ 1,305.18					7,594.00	
Homeless Tuition	450,128.88	453,328.38	298,339.47	335,593.50	\$ 232,042.18	\$ 59,818.04	\$ 261,858.58		4,410.24	40,586.83
Sale of Surplus Items	6,979.50	4,462.43	11,691.61	12,635.23	10,626.28	1,630.25	512.57	8,792.11	8,305.23	
FEMA	27,258.05				6,795.62					
Rentals	175,277.44	175,000.00	175,000.00	175,000.00	175,000.00	175,000.00	150,000.00	150,000.00	153,700.00	183,300.00
Bid Specifications/OPRA				5.00	100.00	2,599.95	2,207.40	460.06	857.50	130.00
Cancellation of Accounts Payable						2,980.00		1,012.47	33,918.69	2,696.31
Various Refunds	28,269.37	13,591.77	45,050.50	38,811.23	31,110.23	5,974.41	17,090.79	50,294.95	143,703.30	175,049.15
Refund of Prior Year Expense	33,864.39	6,565.50	22,126.00	243,629.33	95,438.28	184,987.50	75,157.01	76,965.49	19,929.00	20,542.67
Emergency Snow Removal--FEMA								53,535.51		
Administrative Fees	558.50	1,265.00	1,549.49	1,096.87	1,057.55	1,798.80	2,221.16	3,550.03	6,605.43	2,605.69
Cancellation of Prior Year Outstanding Checks	17,923.95		6,246.99	11,763.74			644.15	899.00	619.23	1,273.85
Various Fines and Fees	540.00	1,058.94	631.85	4,883.04	513.46	1,441.65	2,202.15	3,049.04	5,784.73	6,497.19
Settlements									4,190.00	
Summer School Fees	10,706.25				4,918.75	7,050.00	13,300.00	5,575.00		10,350.00
E-Rate	264,920.76	243,988.22	234,911.21	199,049.07	204,686.84	57,022.98	165,957.95	43,076.93	121,423.10	94,771.59
Interest Earned on Capital Reserve Funds	4,765.37	3,070.23	1,244.21	3,447.93	10,786.75	31,764.93	47,708.20	33,677.81	28,783.71	35,131.57
Interest Earned on Maintenance Reserve Funds	1,158.55	835.30	622.24	996.62	2,719.70	6,093.12	8,732.70	6,942.99	4,149.40	
Interest Earned on Emergency Reserve Funds	912.87	646.60	312.88	312.58	645.23	2,509.66	4,046.01	3,205.03	1,970.60	
Interest Earned on Deposits	15,455.21	13,813.01	16,183.26	13,926.40	28,206.91	93,848.51	103,867.15	63,864.94	86,375.37	452,704.17
<b>Total Miscellaneous Revenues</b>	<b>\$ 1,117,965.53</b>	<b>\$ 1,011,897.38</b>	<b>\$ 818,591.51</b>	<b>\$ 1,042,455.72</b>	<b>\$ 804,647.78</b>	<b>\$ 634,519.80</b>	<b>\$ 909,041.33</b>	<b>\$ 463,717.42</b>	<b>\$ 692,458.17</b>	<b>\$ 1,047,207.02</b>

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.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Taxable Value of Partial Exemptions and Abatements	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2017	\$ 55,792,000.00	\$ 3,748,429,200.00	\$ 6,677,000.00	\$ 371,648,000.00	\$ 47,998,900.00	\$ 159,657,900.00	\$ 4,390,203,000.00	\$ 6,367,200.00	\$ 4,396,570,200.00	\$ 553,300.00	\$ 709,695,000.00	\$ 4,259,203,585.00	\$ 1.141
2016	55,182,400.00	3,762,790,300.00	6,675,400.00	373,582,200.00	47,981,100.00	159,262,700.00	4,405,474,100.00	6,402,300.00	4,411,876,400.00	693,400.00	696,449,100.00	4,233,087,611.00	1.102
2015	54,885,800.00	3,792,784,400.00	6,870,600.00	375,824,800.00	49,999,300.00	160,526,700.00	4,440,891,600.00	6,549,400.00	4,447,441,000.00	946,200.00	634,921,000.00	4,111,264,808.00	1.026
2014	43,112,300.00	3,798,043,600.00	6,969,100.00	337,565,300.00	53,742,100.00	160,579,500.00	4,400,011,900.00	6,371,300.00	4,406,383,200.00	1,488,200.00	703,718,500.00	4,094,461,888.00	1.040
2013	43,644,900.00	3,860,376,200.00	7,165,800.00	340,996,300.00	58,290,800.00	161,685,100.00	4,472,159,100.00	8,504,800.00	4,480,663,900.00	1,786,500.00	740,427,900.00	4,224,341,056.00	0.974
2012	42,470,400.00	3,912,957,500.00	7,189,600.00	333,418,200.00	57,339,900.00	160,651,000.00	4,514,026,600.00	10,169,900.00	4,524,196,500.00	2,243,800.00	754,018,000.00	4,481,273,902.00	0.956
2011	44,506,600.00	3,926,504,450.00	6,791,800.00	320,755,000.00	58,630,600.00	164,046,800.00	4,521,235,250.00	10,362,210.00	4,531,597,460.00	2,773,250.00	768,960,600.00	4,488,606,317.00	0.947
2010 (3)	48,611,000.00	3,922,541,150.00	7,735,800.00	317,979,100.00	60,852,900.00	166,205,500.00	4,523,925,450.00	11,677,300.00	4,535,602,750.00	2,842,050.00	777,355,900.00	4,619,464,477.00	0.922
2009	25,485,900.00	2,145,192,600.00	4,312,600.00	153,492,500.00	32,643,200.00	85,262,700.00	2,446,389,500.00	5,923,640.00	2,452,313,140.00	1,545,300.00	418,139,400.00	4,688,905,072.00	1.667
2008	25,716,200.00	2,140,088,300.00	4,313,700.00	151,720,300.00	32,694,200.00	85,262,700.00	2,439,795,400.00	5,520,631.00	2,445,316,031.00	1,602,200.00	410,586,000.00	4,820,589,508.00	1.692

(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

(3) Revaluation

Source: Camden County Board of Taxation



**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

*Unaudited*

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>				<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Regional High School District</u>	<u>Township of Gloucester</u>	<u>Township of Gloucester Fire Districts</u>	<u>Camden County</u>	
2017	\$1.087	\$0.054	\$1.141	\$0.625	\$1.031	\$0.885	\$0.869	\$4.551
2016	1.051	0.052	1.102	0.604	1.028	0.874	0.849	4.457
2015	0.980	0.046	1.026	0.565	0.918	0.835	0.813	4.157
2014	0.994	0.046	1.040	0.542	0.925	0.828	0.797	4.132
2013	0.922	0.052	0.974	0.517	0.853	0.778	0.791	3.913
2012	0.898	0.058	0.956	0.509	0.845	0.764	0.772	3.846
2011	0.888	0.059	0.947	0.511	0.843	0.734	0.736	3.771
2010 (1)	0.865	0.058	0.922	0.499	0.887	0.708	0.682	3.698
2009	1.567	0.100	1.667	0.888	1.448	1.294	1.239	6.536
2008	1.597	0.095	1.692	0.939	1.116	1.259	1.257	6.263

(1) Revaluation

Source: Municipal Tax Collector

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Taxpayer</u>	2017			2008		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
HP Altman Autumn Ridge LLC	\$ 34,982,900.00	1	0.80%	\$ 18,476,800.00	1	0.76%
SDK Millbridge Gardens LLC	33,388,000.00	2	0.76%	15,480,300.00	3	0.63%
Camden County Realty LLC	28,090,300.00	3	0.64%			
Lakeview Reality Investment Assoc.	22,360,500.00	4	0.51%	17,402,000.00	2	0.71%
Korman Cherrywood Apartments	18,773,500.00	5	0.43%	10,914,600.00	4	0.45%
East Coast Fairways Apartments	16,145,500.00	6	0.37%	7,800,000.00	7	0.32%
Jemstone Crosskeys LLC	13,995,100.00	7	0.32%			
Paramount Realty SVCS, LLC	11,412,000.00	8	0.26%			
Target Corporation	10,913,800.00	9	0.25%			
Lowe's Home Centers Inc.	9,975,200.00	10	0.23%			
Group IV Equities				10,547,600.00	5	0.43%
Chews Landing Investors				9,810,800.00	6	0.40%
Pine Run Commerce Center				6,602,900.00	8	0.27%
Freeland				6,472,600.00	9	0.26%
Zallies Supermarket (Shop Rite)				4,350,600.00	10	0.18%
<b>Total</b>	<b>\$ 200,036,800.00</b>		<b>4.55%</b>	<b>\$ 107,858,200.00</b>		<b>4.41%</b>

Source: Township of Gloucester

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*Unaudited*

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<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2017	\$ 49,690,238.00	\$ 45,549,384.85	91.67%	\$ 4,140,853.15
2016	47,583,252.00	43,617,980.52	91.67%	3,965,271.48
2015	45,791,690.00	45,791,690.00	100.00%	-
2014	43,693,789.00	43,688,887.00	99.99%	4,902.00
2013	43,512,893.00	43,507,991.00	99.99%	4,902.00
2012	43,036,028.00	43,026,028.10	99.98%	9,999.90
2011	42,724,666.00	42,714,666.10	99.98%	9,999.90
2010	40,843,497.00	40,843,497.00	100.00%	-
2009	40,870,107.00	40,870,107.00	100.00%	-
2008	41,895,620.00	41,895,620.00	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

## 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.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>			
2017	\$ 7,290,000.00	\$ 567,485.00	\$ 7,857,485.00	Unavailable	\$ 122.89
2016	10,706,000.00	-	10,706,000.00	0.35%	167.44
2015	13,836,000.00	60,954.37	13,896,954.37	0.46%	217.23
2014	16,871,000.00	236,926.48	17,107,926.48	0.59%	266.64
2013	19,886,789.54	230,914.83	20,117,704.37	0.70%	312.11
2012	23,372,579.01	98,470.51	23,471,049.52	0.82%	363.71
2011	26,577,368.48	193,161.58	26,770,530.06	0.99%	414.36
2010	29,638,157.95	-	29,638,157.95	1.10%	458.09
2009	32,588,947.42	187,040.51	32,775,987.93	1.22%	505.79
2008	35,339,736.89	537,813.41	35,877,550.30	1.38%	551.17

## Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2017	\$ 7,290,000.00	-	\$ 7,290,000.00	0.17%	\$ 114.01
2016	10,706,000.00	-	10,706,000.00	0.24%	167.44
2015	13,836,000.00	-	13,836,000.00	0.31%	216.28
2014	16,871,000.00	-	16,871,000.00	0.38%	262.95
2013	19,886,789.54	-	19,886,789.54	0.44%	308.52
2012	23,372,579.01	-	23,372,579.01	0.52%	362.19
2011	26,577,368.48	-	26,577,368.48	0.59%	411.37
2010 (4)	29,638,157.95	-	29,638,157.95	0.65%	458.09
2009	32,588,947.42	-	32,588,947.42	1.33%	502.91
2008	35,339,736.89	-	35,339,736.89	1.45%	542.90

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development
- (4) Revaluation

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2016  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Gloucester Township</u>	<u>Debt Authorized but not Issued</u>
Municipal Debt: (1)					
Gloucester Township School District (1)	\$ 7,765,000.00	\$ 7,765,000.00			
Black Horse Pike Regional School District (1) (2)	6,913,021.67	6,913,021.67			
Gloucester Township (3)	<u>63,812,549.94</u>	<u>691,960.15</u>	<u>\$ 63,120,589.79</u>	<u>\$ 63,120,589.79</u>	
	<u>78,490,571.61</u>	<u>15,369,981.82</u>	<u>63,120,589.79</u>	<u>63,120,589.79</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (1)					
General:					
Bonds	38,850,000.00	9,347,201.00 (4)	29,502,799.00	3,357,418.53 (6)	\$ 35,655,125.00
Loan Agreements	310,969,957.00		310,969,957.00	35,388,381.11 (6)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	288,955,187.00	288,955,187.00 (5)			
Gloucester Township Municipal Utilities Authority(1)	8,287,491.25		8,287,491.25	8,287,491.25	
Gloucester Township Fire Districts (1)	<u>570,000.00</u>		<u>570,000.00</u>	<u>570,000.00</u>	
	<u>647,632,635.25</u>	<u>298,302,388.00</u>	<u>349,330,247.25</u>	<u>47,603,290.88</u>	<u>35,655,125.00</u>
	<u>\$ 726,123,206.86</u>	<u>\$ 313,672,369.82</u>	<u>\$ 412,450,837.04</u>	<u>\$ 110,723,880.67</u>	<u>\$ 35,655,125.00</u>

## Sources:

- (1) Entity's Audit Report
- (2) Allocated based on percentage of average equalized valuations
- (3) Township Audit Report
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Issuer's share of the total 2016 Net Valuation on which County taxes are apportioned, which is 11.38%.  
The source for this computation was the County of Camden 2016 Abstract of Ratables.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized Valuation Basis (1)
2016	\$ 4,267,629,662
2015	4,260,665,451
2014	<u>4,066,930,308</u>
	<u>\$ 12,595,225,421</u>
Average equalized valuation of taxable property	<u>\$ 4,198,408,474</u>
Debt limit (3% of average equalization value) (2)	\$ 125,952,254
Total Net Debt Applicable to Limit	<u>7,290,000</u>
Legal Debt Margin	<u>\$ 118,662,254</u>

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 125,952,254.21	\$ 124,827,189.59	\$ 124,773,576.18	\$ 128,886,714.17	\$ 133,413,353.94	\$ 137,690,127.16	\$ 141,058,374.86	\$ 142,563,589.24	\$ 139,223,612.78	\$ 129,995,126.52
Total net debt applicable to limit (3)	<u>7,290,000.00</u>	<u>10,706,000.00</u>	<u>13,836,000.00</u>	<u>16,871,000.00</u>	<u>19,886,789.54</u>	<u>23,372,579.01</u>	<u>26,577,368.48</u>	<u>29,638,157.95</u>	<u>32,588,947.42</u>	<u>35,339,736.89</u>
Legal debt margin	<u>\$ 118,662,254.21</u>	<u>\$ 114,121,189.59</u>	<u>\$ 110,937,576.18</u>	<u>\$ 112,015,714.17</u>	<u>\$ 113,526,564.40</u>	<u>\$ 114,317,548.15</u>	<u>\$ 114,481,006.38</u>	<u>\$ 112,925,431.29</u>	<u>\$ 106,634,665.36</u>	<u>\$ 94,655,389.63</u>
Total net debt applicable to the limit as a percentage of debt limit	5.79%	8.58%	11.09%	13.09%	14.91%	16.97%	18.84%	20.79%	23.41%	27.19%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records



## 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.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden <u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	63,941	Unavailable	Unavailable	5.0%
2015	63,939	\$ 3,074,442,876.00	\$ 48,084.00	5.7%
2014	63,973	2,999,438,078.00	46,886.00	7.1%
2013	64,160	2,892,140,320.00	45,077.00	8.1%
2012	64,458	2,883,979,836.00	44,742.00	9.4%
2011	64,532	2,846,829,180.00	44,115.00	9.3%
2010	64,607	2,713,041,751.00	41,993.00	9.6%
2009	64,700	2,694,172,700.00	41,641.00	8.7%
2008	64,801	2,681,011,773.00	41,373.00	3.2%
2007	65,094	2,604,150,564.00	40,006.00	2.7%

## Sources:

- (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 data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Principal Non-Governmental Employers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Employer</u>	<u>2017 (1)</u>			<u>2008 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment (1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Metrologic Corp.						
U.S. Vision						
Zallie Supermarkets						
Freeland Associates						
Super G						
Blackwell North America						
Wastequip/Accurate Industries						
K-Mart						
A.L. Hyde Company						
Reliable Tire						
	-		-	-		-

(1) Information not available

## 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.

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<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:										
Teachers	545.0	534.5	534.5	533.0	534.0	526.0	528.0	572.0	564.0	589.0
Classroom Aides	77.0	67.0	69.0	62.0	60.0	56.0	53.0	108.0	129.0	107.0
Support Services:										
Attendance and Social Work services	6.0	4.5	4.5	2.7	2.0	1.0	1.0	1.0	1.0	1.0
Health Services	4.0	23.0	23.0	24.0	24.0	24.0	22.0	22.0	13.0	11.0
Related Services	19.0	19.0	19.0	18.0	18.0	21.0	22.0	20.0	18.0	16.0
Extraordinary Services	-	-	-	-	-	-	-	-	-	-
Guidance Services	17.0	20.0	21.0	21.0	21.0	19.0	19.0	22.0	22.0	20.5
Child Study Team Services	14.0	20.0	20.0	20.0	21.0	20.0	22.0	24.0	22.0	20.0
Improvement of Instruction Services	8.0	9.7	9.7	12.0	11.6	9.0	15.0	22.0	20.0	10.0
Media/Library Services	18.0	18.0	18.0	18.0	18.0	18.0	11.0	11.0	10.0	7.0
Instructional Staff Training Services	-	-	-	-	-	-	-	-	-	-
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
School Administrative Services	22.0	50.0	50.0	50.0	50.0	49.0	51.0	55.0	55.0	54.0
Central Services	11.0	15.0	15.0	17.0	17.0	16.5	16.0	19.0	19.0	4.0
Administrative Information Technology	8.0	9.3	9.3	7.3	7.3	9.0	9.0	12.0	13.0	15.0
Plant Operations and Maintenance Services	58.0	68.0	70.0	68.0	69.0	71.0	69.0	82.0	84.0	81.0
Student Transportation Services	16.0	14.0	21.0	17.0	15.0	15.0	12.0	20.0	20.0	24.0
Business and Other Support Services	24.0	-	-	-	-	-	-	20.0	20.0	20.0
Various Other Functions	59.0	69.0	67.0	77.0	79.0	72.0	81.0	87.0	88.0	81.0
Food Service	57.0	58.0	61.0	60.0	59.0	59.0	62.0	67.0	69.0	45.0
Latchkey	21.0	20.3	24.3	33.6	33.6	36.0	36.0	43.0	43.0	53.0
<b>Total</b>	<u>986.0</u>	<u>1,021.3</u>	<u>1,038.3</u>	<u>1,042.6</u>	<u>1,041.5</u>	<u>1,023.5</u>	<u>1,031.0</u>	<u>1,209.0</u>	<u>1,212.0</u>	<u>1,161.5</u>

Source: Annual School District Budget Statement Supporting Documentation

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2017	6,360	\$ 111,455,209.25	\$ 17,524.40	5.21%	545	9.7	10.9	6,359.93	6,049.84	-0.44%	95.12%
2016	6,407	106,720,075.00	16,656.79	3.84%	559	11.9	10.8	6,388.21	6,079.83	-2.23%	95.17%
2015	6,514	104,490,378.81	16,040.89	5.98%	559	12.3	18.2	6,533.97	6,227.24	-3.19%	95.31%
2014	6,770	102,471,834.46	15,136.16	5.72%	558	18.8	23.5	6,749.50	6,433.29	-2.77%	95.32%
2013	6,946	99,446,071.36	14,317.03	4.12%	559	19.0	25.4	6,941.80	6,596.10	-1.19%	95.00%
2012	7,048	96,911,962.89	13,750.28	11.43%	557	19.3	26.0	7,025.30	6,708.10	-4.29%	95.50%
2011	7,360	90,820,243.71	12,339.71	-3.57%	557	18.8	27.6	7,340.30	6,998.80	-1.19%	95.30%
2010	7,421	94,965,541.06	12,796.87	6.60%	564	19.4	23.3	7,428.90	7,066.50	-1.41%	95.10%
2009	7,554	90,683,934.07	12,004.76	0.95%	564	19.6	23.8	7,535.30	7,170.70	-1.13%	95.40%
2008	7,641	90,864,109.50	11,891.65	6.28%	548	20.2	23.7	7,621.20	7,268.40	-1.70%	95.40%

Sources: District Records

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<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>District Buildings:</b>										
<b>Elementary Schools:</b>										
Square Feet	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565	67,565
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	590	635	589	606	615	605	676	669	670	727
Chews (1958)										
Square Feet	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676	76,676
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	664	678	701	729	745	748	820	824	829	831
Erial (1961)										
Square Feet	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202	76,202
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	654	659	641	718	730	766	764	758	804	795
Glendora (1922)										
Square Feet	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906	32,906
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	234	243	285	286	277	285	285	272	290	275
Gloucester Township (1926)										
Square Feet	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684	37,684
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	256	236	255	258	275	272	278	296	285	293
J.W. Lilley (1986)										
Square Feet	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812	67,812
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	509	500	452	485	487	510	593	634	644	664
Loring-Flemming (1976)										
Square Feet	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150	75,150
Capacity (students)	975	975	975	975	975	975	975	975	975	975
Enrollment	704	660	707	742	780	761	745	713	713	725
Union Valley (2001)										
Square Feet	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841	88,841
Capacity (students)	925	925	925	925	925	925	925	925	925	925
Enrollment	458	481	509	523	543	561	607	627	630	650

(Continued)

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<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>District Buildings:</b>										
<b>Middle Schools:</b>										
C.W. Lewis (1964)										
Square Feet	133,119	133,119	133,119	133,119	133,119	133,119	133,119	133,119	133,119	133,119
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	638	639	685	693	679	671	641	626	638	646
Glen Landing (1971)										
Square Feet	131,646	131,646	131,646	131,646	131,646	131,646	131,646	131,646	131,646	131,646
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	750	751	799	813	842	820	843	873	889	891
Ann A. Mullen (1996)										
Square Feet	173,342	173,342	173,342	173,342	173,342	173,342	173,342	173,342	173,342	173,342
Capacity (students)	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Enrollment	903	925	891	917	973	1,049	1,108	1,129	1,162	1,144
<b>Other:</b>										
Administration Office (1955)										
Square Feet	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440
Mirenda Building (1923)										
Square Feet	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300
Maintenance/Transportation Building (1970)										
Square Feet	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716	18,716
Grenloch Building (1916)										
Square Feet	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492	9,492

Number of Schools at June 30, 2017

Elementary = 8

Middle School = 3

Other = 4

Source: District Records



**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Blackwood Elementary School	N/A	\$ 63,630.00	\$ 61,146.90	\$ 68,841.19	\$ 69,502.67	\$ 37,987.46	\$ 26,170.31	\$ 27,533.69	\$ 26,396.00	\$ 25,722.68	\$ 27,136.00
C.W. Lewis Middle School	N/A	125,445.00	120,550.73	135,720.01	134,880.40	74,892.49	44,217.69	46,521.28	51,352.00	47,846.28	73,530.00
Chews Elementary School	N/A	72,210.00	69,392.44	78,124.29	78,961.01	43,110.36	34,171.36	35,951.57	28,516.00	39,107.21	21,446.00
Erial Elementary School	N/A	71,763.00	68,963.46	77,641.33	77,857.35	42,843.38	28,050.09	29,511.40	31,629.00	29,294.76	45,518.00
Glen Landing Middle School	N/A	110,784.00	106,461.57	119,857.95	120,818.14	66,139.25	68,502.39	72,071.13	40,289.00	50,256.34	56,898.00
Glendora Elementary School	N/A	31,617.00	30,382.95	34,206.12	34,793.64	18,875.23	11,680.73	12,289.26	12,448.00	19,857.79	24,072.00
Gloucester Township Elementary School	N/A	32,944.00	31,659.01	35,642.75	35,928.92	19,668.43	14,287.47	15,031.80	18,923.00	18,238.16	24,948.00
J.W. Lilley Elementary School	N/A	63,862.00	61,370.44	69,092.86	41,343.21	38,126.75	24,826.81	26,120.20	25,053.00	27,393.04	41,579.00
Loring-Flemming Elementary School	N/A	70,773.00	68,011.39	76,569.46	75,634.72	42,252.35	44,213.43	46,516.80	37,082.00	94,743.36	41,142.00
Ann A. Mullen Middle School	N/A	163,245.00	156,875.99	176,616.15	176,962.68	97,459.97	94,472.90	67,834.03	103,287.00	77,546.06	31,950.00
Union Valley Elementary School	N/A	83,327.00	80,076.14	90,152.26	89,985.08	49,748.08	40,964.88	43,099.01	31,703.00	34,809.82	26,261.00
<b>Total School Facilities</b>		<b>889,600.00</b>	<b>854,891.02</b>	<b>962,464.39</b>	<b>936,667.82</b>	<b>531,103.76</b>	<b>431,558.07</b>	<b>422,480.17</b>	<b>406,678.00</b>	<b>464,815.50</b>	<b>414,480.00</b>
Other Facilities		24,632.00	-	-	-	2,978.85	32,694.18	34,155.98	6,782.00	38,630.72	23,198.00
<b>Grand Total</b>		<b>\$ 914,232.00</b>	<b>\$ 854,891.02</b>	<b>\$ 962,464.39</b>	<b>\$ 936,667.82</b>	<b>\$ 534,082.61</b>	<b>\$ 464,252.25</b>	<b>\$ 456,636.15</b>	<b>\$ 413,460.00</b>	<b>\$ 503,446.22</b>	<b>\$ 437,678.00</b>

Source: District Records

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
Insurance Schedule  
June 30, 2017  
*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property		
Blanket Building & Contents	\$ 205,993,259.00	\$ 1,000.00
Earthquake - Volcanic Eruption	5,000,000.00	25,000.00
Flood	5,015,000.00	25,000.00
Equipment		
Audio Visual	908,930.00	250.00
Lab/Science/Engineer	132,357.00	250.00
Data Processing	5,453,995.00	250.00
Communications	150,000.00	250.00
Boiler and Machinery		
Property Damage	201,843,345.00	1,000.00
Employee Dishonesty - Per Employee	100,000.00	500.00
Comprehensive General Liability		
General	2,000,000.00	-
Products/Completed Operations	1,000,000.00	-
Personal and Advertising Injury - Per Occurrence	1,000,000.00	-
Employee Benefits - Per Claim	1,000,000.00	-
Employee Benefits	3,000,000.00	1,000.00
Sexual Abuse and Molestation - Per Claim	1,000,000.00	-
Sexual Abuse and Molestation	3,000,000.00	-
Educators Legal Liability Policy - Per Claim	1,000,000.00	5,000.00
Educators Legal Liability Policy	2,000,000.00	-
Comprehensive Automobile Liability	1,000,000.00	1,000.00
Umbrella Liability		
Umbrella Policy	15,000,000.00	10,000.00
Excess Workers Compensation	Statutory	500,000.00
Excess Employer's Liability	1,000,000.00	500,000.00
Student Accident	500,000.00	25,000.00
Catastrophic Student Accident	1,000,000.00	25,000.00

Source: District Insurance Broker

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  
Gloucester Township School District  
County of Camden

**Report on Compliance for Each Major Federal and State Program**

We have audited the Gloucester Township School District's, in the County of Camden, 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 Gloucester Township School District's, in the County of Camden, 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 Gloucester Township School District, in the County of Camden, 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 Gloucester Township School District, in the County of Camden, 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  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
November 28, 2017

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

Pass-through Grantor/Program Title	CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Award Amount	Grant Period From	To	Balance June 30, 2016	Carryover Amount
<b>General Fund:</b>								
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Special Education--Medicaid Initiative--Settlement	93.778	1605NJ5MAP	N/A	\$ 1,936.43	7-1-13	6-30-14	\$ (1,936.43)	
Special Education--Medicaid Initiative--ARRA	93.778	1705NJ5MAP	N/A	23,438.21	4-1-09	12-31-09		
Special Education--Medicaid Initiative	93.778	1705NJ5MAP	N/A	205,559.00	7-1-16	6-30-17		
Total Medicaid Cluster							<u>(1,936.43)</u>	<u>-</u>
U.S. Department of Homeland Security:								
Passed-through the State Department of Law and Public Safety:								
Public Assistance Grants	97.036	Unavailable	N/A	27,258.05	Unavailable	Unavailable	-	-
Total General Fund							<u>(1,936.43)</u>	<u>-</u>
<b>Special Revenue Fund:</b>								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I	84.010	S010A150030	NCLB178016	1,148,447.00	7-1-15	6-30-16	(345,824.00)	\$ (142,551.00)
Title I	84.010	S010A160030	NCLB178017	1,047,617.00	7-1-16	6-30-17		142,551.00
Total Title I							<u>(345,824.00)</u>	<u>-</u>
Title II - Part A	84.367	S367A150029	NCLB178016	227,805.00	7-1-15	6-30-16	29,680.00	(8,958.00)
Title II - Part A	84.367	S367A160029	NCLB178017	204,915.00	7-1-16	6-30-17		8,958.00
Total Title II - Part A							<u>29,680.00</u>	<u>-</u>
Title III Immigrant	84.365	S365A150030	NCLB178016	8,853.00	7-1-15	6-30-16	(1,333.00)	
Title III	84.365	S365A150030	NCLB178016	28,916.00	7-1-15	6-30-16	(1,361.00)	
Title III Immigrant	84.365	S365A160030	NCLB178017	6,289.00	7-1-16	6-30-17		
Title III	84.365	S365A160030	NCLB178017	35,757.00	7-1-16	6-30-17		
Total Title III							<u>(2,694.00)</u>	<u>-</u>
I.D.E.A. Part B Special Education Cluster:								
Basic	84.027	H027A150100	IDEA178014	1,835,987.00	7-1-13	6-30-14	3,914.00	
Basic	84.027	H027A160100	IDEA178017	1,824,175.00	7-1-16	6-30-17		130,180.00
Basic	84.027	H027A150100	IDEA178016	1,896,195.00	7-1-15	6-30-16	(239,762.00)	(130,180.00)
Pre-School	84.173	H173A150114	IDEA178016	72,681.00	7-1-15	6-30-16	(15,428.00)	(11,053.00)
Pre-School	84.173	H173A160114	IDEA178017	79,802.00	7-1-16	6-30-17		11,053.00
Total I.D.E.A. Part B Special Education Cluster							<u>(251,276.00)</u>	<u>-</u>
Total Special Revenue Fund							<u>(570,114.00)</u>	<u>-</u>
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture:								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555	1711NJ304N1099	Unavailable	137,134.34	7-1-16	6-30-17		
Cash Assistance:								
School Breakfast Program	10.553	1711NJ304N1099	Unavailable	311,294.74	7-1-16	6-30-17		
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	291,220.57	7-1-15	6-30-16	(12,007.00)	
Special Milk Program	10.556	1711NJ304N1099	Unavailable	291.07	7-1-16	6-30-17		
Special Milk Program	10.556	16161NJ304N1099	Unavailable	8,510.64	7-1-15	6-30-16	(300.62)	
After School Snack Program	10.555	1711NJ304N1099	Unavailable	8,809.50	7-1-16	6-30-17		
After School Snack Program	10.555	16161NJ304N1099	Unavailable	7,994.91	7-1-15	6-30-16	(237.44)	
National School Lunch Program	10.555	1711NJ304N1099	Unavailable	1,141,720.84	7-1-16	6-30-17		
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	1,028,854.52	7-1-15	6-30-16	(36,941.61)	
Total Child Nutrition Cluster:							<u>(49,486.67)</u>	<u>-</u>
Total Enterprise Fund:							<u>(49,486.67)</u>	<u>-</u>
Total Federal Financial Assistance							<u>\$ (621,537.10)</u>	<u>\$ -</u>

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Cash Received	Adjustments (A)	Budgetary Expenditures			Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2017		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			Accounts Receivable	Unearned Revenue	Due to Grantor
\$ 1,936.43									
23,438.21		\$ 23,438.21		\$ 23,438.21					
205,559.00		205,559.00		205,559.00					
230,933.64	-	228,997.21	-	228,997.21	-	-	-	-	-
27,258.05	-	27,258.05	-	27,258.05	-	-	-	-	-
258,191.69	-	256,255.26	-	256,255.26	-	-	-	-	-
488,375.00									
417,913.00	\$ (0.32)	949,574.68		949,574.68			\$ (389,111.00)		
906,288.00	(0.32)	949,574.68	-	949,574.68	-	-	(389,111.00)	-	-
8,958.00	(29,680.00)								
36,373.00	29,679.71	165,798.71		165,798.71			(90,788.00)		
45,331.00	(0.29)	165,798.71	-	165,798.71	-	-	(90,788.00)	-	-
1,333.00									
1,361.00									
3,639.00	0.25	5,586.25		5,586.25			(1,947.00)		
24,461.00	0.75	29,111.75		29,111.75			(4,650.00)		
30,794.00	1.00	34,698.00	-	34,698.00	-	-	(6,597.00)	-	-
		3,914.00		3,914.00					
1,339,546.00	1.61	1,707,517.61		1,707,517.61			(237,790.00)		
369,942.00									
26,481.00									
38,853.00	0.20	69,100.20		69,100.20			(19,194.00)		
1,774,822.00	1.81	1,780,531.81	-	1,780,531.81	-	-	(256,984.00)	-	-
2,757,235.00	2.20	2,930,603.20	-	2,930,603.20	-	-	(743,480.00)	-	-
137,134.34		137,134.34		137,134.34					
290,466.65		311,294.74		311,294.74			(20,828.09)		
12,007.00									
273.10		291.07		291.07			(17.97)		
300.62									
8,279.91		8,809.50		8,809.50			(529.59)		
237.44									
1,074,140.26		1,141,720.84		1,141,720.84			(67,580.58)		
36,941.61									
1,559,780.93	-	1,599,250.49	-	1,599,250.49	-	-	(88,956.23)	-	-
1,559,780.93	-	1,599,250.49	-	1,599,250.49	-	-	(88,956.23)	-	-
\$ 4,575,207.62	\$ 2.20	\$ 4,786,108.95	\$ -	\$ 4,786,108.95	\$ -	\$ -	\$ (832,436.23)	\$ -	\$ -

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title	State Project Number	Award Amount	Matching	Grant Period		Balance at June 30, 2016		Carryover/ Walkover Amount
				From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor	
General Fund:								
New Jersey Department of Education:								
Current Expense:								
State Aid - Public Cluster:								
Equalization Aid	17-495-034-5120-078	\$ 45,803,377.00	N/A	7-1-16	6-30-17			
Equalization Aid	16-495-034-5120-078	45,803,377.00	N/A	7-1-15	6-30-16	\$ (4,388,442.00)		
Special Education Categorical Aid	17-495-034-5120-089	3,915,535.00	N/A	7-1-16	6-30-17			
Special Education Categorical Aid	16-495-034-5120-089	3,915,535.00	N/A	7-1-15	6-30-16	(375,149.00)		
PARCC Readiness Aid	17-495-034-5120-098	65,225.00	N/A	7-1-16	6-30-17			
PARCC Readiness Aid	16-495-034-5120-098	65,225.00	N/A	7-1-15	6-30-16	(6,249.00)		
Per Pupil Growth Aid	17-495-034-5120-097	65,225.00	N/A	7-1-16	6-30-17			
Per Pupil Growth Aid	16-495-034-5120-097	65,225.00	N/A	7-1-15	6-30-16	(6,249.00)		
Professional Learning Community Aid	17-495-034-5120-101	62,050.00	N/A	7-1-16	6-30-17			
Security Aid	17-495-034-5120-084	487,009.00	N/A	7-1-16	6-30-17			
Security Aid	16-495-034-5120-084	487,009.00	N/A	7-1-15	6-30-16	(46,661.00)		
Total State Aid - Public Cluster						(4,822,750.00)	-	-
Transportation Aid:								
Transportation Aid	17-495-034-5120-014	513,108.00	N/A	7-1-16	6-30-17			
Transportation Aid	16-495-034-5120-014	513,108.00	N/A	7-1-15	6-30-16	(49,161.00)		
Nonpublic School Transportation Aid	17-495-034-5120-014	62,118.00	N/A	7-1-16	6-30-17			
Nonpublic School Transportation Aid	16-495-034-5120-014	64,032.00	N/A	7-1-15	6-30-16	(64,032.00)		
Total Transportation Aid						(113,193.00)	-	-
Extraordinary Special Education Aid								
Extraordinary Special Education Aid	17-495-034-5120-044	893,670.00	N/A	7-1-16	6-30-17			
Extraordinary Special Education Aid	16-495-034-5120-044	1,082,076.00	N/A	7-1-15	6-30-16	(1,082,076.00)		
Total Extraordinary Special Education Aid						(1,082,076.00)	-	-
Payment for Institutionalized Children - Unknown District of Residence								
Payment for Institutionalized Children - Unknown District of Residence	17-495-034-5120-005	273,841.38	N/A	7-1-16	6-30-17			
Payment for Institutionalized Children - Unknown District of Residence	16-495-034-5120-005	51,359.00	N/A	7-1-15	6-30-16	(51,359.00)		
Total Payment for Institutionalized Children - Unknown District of Residence						(51,359.00)	-	-
Reimbursed TPAF Social Security Contributions								
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	3,439,460.47	N/A	7-1-16	6-30-17			
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	3,358,195.43	N/A	7-1-15	6-30-16	(165,663.98)		
Reimbursed TPAF Social Security Contributions						(165,663.98)	-	-
Total General Fund						(6,235,041.98)	-	-
Special Revenue Fund:								
New Jersey Department of Education:								
Nonpublic Aid:								
Technology Aid	17-100-034-5120-373	13,962.00	N/A	7-1-16	6-30-17			
Technology Aid	16-100-034-5120-373	14,950.00	N/A	7-1-15	6-30-16		\$ 302.00	
Total Technology Aid							302.00	-
Nursing Services								
Nursing Services	17-100-034-5120-070	48,330.00	N/A	7-1-16	6-30-17			
Nursing Services	16-100-034-5120-070	51,750.00	N/A	7-1-15	6-30-16		4,401.00	
Total Nursing Services							4,401.00	-
Textbook Aid (Ch. 194, L. 1977)								
Textbook Aid (Ch. 194, L. 1977)	17-100-034-5120-064	30,952.00	N/A	7-1-16	6-30-17			
Textbook Aid (Ch. 194, L. 1977)	16-100-034-5120-064	32,832.00	N/A	7-1-15	6-30-16		1,590.00	
Total Textbook Aid (Ch. 194, L. 1977)							1,590.00	-
Security Aid								
Security Aid	17-100-034-5120-509	26,850.00	N/A	7-1-16	6-30-17			
Security Aid	16-100-034-5120-509	14,375.00	N/A	7-1-15	6-30-16		291.00	
Total Security Aid							291.00	-
Auxiliary Services (Ch. 192, L. 1977)								
Compensatory Education	17-100-034-5120-067	225,742.00	N/A	7-1-16	6-30-17			
English as a Second Language		5,938.00	N/A	7-1-16	6-30-17			
Transportation		26,055.00	N/A	7-1-16	6-30-17			
Auxiliary Services (Ch. 192, L. 1977)	16-100-034-5120-067	219,968.00	N/A	7-1-15	6-30-16		44,338.00	
Compensatory Education		1,380.00	N/A	7-1-15	6-30-16		776.00	
English as a Second Language		27,965.00	N/A	7-1-15	6-30-16		19,793.00	
Transportation							64,907.00	-
Handicapped Services (Ch. 193, L. 1977)								
Corrective Speech	15-100-034-5120-066	61,405.00	N/A	7-1-16	6-30-17			
Examination and Classification		53,488.00	N/A	7-1-16	6-30-17			
Supplementary Instruction		38,450.00	N/A	7-1-16	6-30-17			
Handicapped Services (Ch. 193, L. 1977)	16-100-034-5120-066	57,938.00	N/A	7-1-15	6-30-16		28,279.00	
Examination and Classification		94,476.00	N/A	7-1-15	6-30-16		43,229.00	
Supplementary Instruction		32,822.00	N/A	7-1-15	6-30-16		4,904.00	
Total Handicapped Services							76,412.00	-
New Jersey Achievement Grant--Coaches Competitive Grant								
New Jersey Achievement Grant--Coaches Competitive Grant	16E00116	79,656.00	N/A	3-1-16	11-30-16			
Total New Jersey Achievement Grant								
Total New Jersey Department of Education								
							147,903.00	-
New Jersey Department of Treasury:								
Municipal Drug Alliance Grant	2000-475-995120-60	12,000.00	N/A	(B) 7-1-16	6-30-17			
Municipal Drug Alliance Grant	2000-475-995120-60	12,000.00	N/A	(B) 7-1-15	6-30-16	11,149.80		
Total Municipal Drug Alliance Grant						11,149.80	-	-
Total New Jersey Department of Treasury								
						11,149.80	-	-
Total Special Revenue Fund						11,149.80	147,903.00	-
Debt Service Fund:								
State Department of Education:								
State Support	17-495-034-5120-075	1,050,839.00	N/A	7-1-16	6-30-17			



Cash Received	Adjustments (A)	Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 41,431,233.00		\$ 45,803,377.00			\$ (4,372,144.00)			\$ (4,372,144.00)	\$ 45,803,377.00
4,388,442.00					(373,756.00)			(373,756.00)	3,915,535.00
3,541,779.00		3,915,535.00			(6,226.00)			(6,226.00)	65,225.00
375,149.00					(6,226.00)			(6,226.00)	65,225.00
58,999.00		65,225.00			(5,923.00)			(5,923.00)	62,050.00
6,249.00					(46,487.00)			(46,487.00)	487,009.00
58,999.00		65,225.00							
6,249.00									
56,127.00		62,050.00							
440,522.00		487,009.00							
46,661.00									
50,410,409.00	-	50,398,421.00	-	-	(4,810,762.00)	-	-	(4,810,762.00)	50,398,421.00
464,129.00		513,108.00			(48,979.00)			(48,979.00)	513,108.00
49,161.00		62,118.00			(62,118.00)				62,118.00
64,032.00									
577,322.00	-	575,226.00	-	-	(111,097.00)	-	-	(48,979.00)	575,226.00
1,082,076.00		893,670.00			(893,670.00)				893,670.00
1,082,076.00	-	893,670.00	-	-	(893,670.00)	-	-	-	893,670.00
126,055.82		273,841.38			(147,785.56)				273,841.38
51,359.00									
177,414.82	-	273,841.38	-	-	(147,785.56)	-	-	-	273,841.38
3,269,417.80		3,439,460.47			(170,042.67)				3,439,460.47
165,663.98									
3,435,081.78	-	3,439,460.47	-	-	(170,042.67)	-	-	-	3,439,460.47
55,682,303.60	-	55,580,618.85	-	-	(6,133,357.23)	-	-	(4,859,741.00)	55,580,618.85
13,962.00	\$ 0.37	13,534.37		\$ 302.00			\$ 428.00		13,534.37
13,962.00	0.37	13,534.37	-	302.00	-	-	428.00	-	13,534.37
48,330.00	0.27	46,498.27		4,401.00			1,832.00		46,498.27
48,330.00	0.27	46,498.27	-	4,401.00	-	-	1,832.00	-	46,498.27
30,952.00	(0.08)	30,681.92		1,590.00			270.00		30,681.92
30,952.00	(0.08)	30,681.92	-	1,590.00	-	-	270.00	-	30,681.92
26,850.00	0.21	22,972.21		291.00			3,878.00		22,972.21
26,850.00	0.21	22,972.21	-	291.00	-	-	3,878.00	-	22,972.21
226,742.00	(0.02)	211,587.98 (C)		44,338.00			14,154.00		211,587.98
5,938.00	0.35	1,918.35 (C)		776.00			4,020.00		1,918.35
26,055.00	(0.04)	8,052.96 (C)		19,793.00			18,002.00		8,052.96
257,735.00	0.29	221,559.29	-	64,907.00	-	-	36,176.00	-	221,559.29
61,405.00	(0.05)	50,977.95 (C)		28,279.00			10,427.00		50,977.95
53,488.00	0.06	34,399.06 (C)		43,229.00			19,089.00		34,399.06
38,450.00	0.35	23,933.35 (C)		4,904.00			14,517.00		23,933.35
153,343.00	0.36	109,310.36	-	76,412.00	-	-	44,033.00	-	109,310.36
73,010.00	-	73,010.00	-	-	-	-	-	-	73,010.00
73,010.00	-	73,010.00	-	-	-	-	-	-	73,010.00
604,182.00	1.42	517,566.42	-	147,903.00	-	-	86,617.00	-	517,566.42
12,000.00		850.20				\$ 11,149.80			850.20
12,000.00	-	11,149.80	-	-	-	11,149.80	-	-	11,149.80
12,000.00	-	12,000.00	-	-	-	11,149.80	-	-	12,000.00
616,182.00	1.42	529,566.42	-	147,903.00	-	11,149.80	86,617.00	-	529,566.42
1,050,839.00	-	1,050,839.00	-	-	-	-	-	-	1,050,839.00

**GLOUCESTER TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title	State Project Number	Award Amount	Matching	Grant Period		Balance at June 30, 2016		Carryover/ Walkover Amount
				From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor	
Enterprise Fund:								
New Jersey Department of Education:								
State School Lunch Aid	17-100-010-3350-023	\$ 27,502.94	N/A	7-1-16	6-30-17			
State School Lunch Aid	16-100-010-3350-023	24,194.89	N/A	7-1-15	6-30-16	\$ (860.59)		
Total State School Lunch Aid						(860.59)	-	-
Total Enterprise Fund						(860.59)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(6,224,752.77)	\$ 147,903.00	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of Treasury:								
On-behalf T.P.A.F. Pension Contributions - Normal Cost	17-495-034-5094-002	4,891,099.00	N/A	7-1-16	6-30-17			
On-behalf T.P.A.F. Pension Contributions - Non-contributory Insurance	17-495-034-5094-004	177,216.00	N/A	7-1-16	6-30-17			
On-behalf T.P.A.F. Pension Contributions - Long Term Disability	17-495-034-5094-004	7,262.00	N/A	7-1-16	6-30-17			
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	17-495-034-5094-001	4,223,060.00	N/A	7-1-16	6-30-17			
Total General Fund (Non-Cash Assistance)						-	-	-
Total State Financial Assistance						\$ (6,224,752.77)	\$ 147,903.00	\$ -

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Passed through the Township of Gloucester

(C) Passed through to Camden County Educational Services Commission

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

Cash Received	Adjustments (A)	Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 25,991.06 860.59		\$ 27,502.94			\$ (1,511.88)				27,502.94
26,851.65	-	27,502.94	-	-	(1,511.88)	-	-	-	27,502.94
26,851.65	-	27,502.94	-	-	(1,511.88)	-	-	-	27,502.94
57,376,176.25	\$ 1.42	57,188,527.21	-	\$ 147,903.00	(6,134,869.11)	\$ 11,149.80	\$ 86,617.00	\$ (4,859,741.00)	\$ 57,188,527.21
4,891,099.00 177,216.00 7,262.00 4,223,060.00		4,891,099.00 177,216.00 7,262.00 4,223,060.00							4,891,099.00 177,216.00 7,262.00 4,223,060.00
9,298,637.00	-	9,298,637.00	-	-	-	-	-	-	9,298,637.00
\$ 66,674,813.25	\$ 1.42	\$ 66,487,164.21	\$ -	\$ 147,903.00	\$ (6,134,869.11)	\$ 11,149.80	\$ 86,617.00	\$ (4,859,741.00)	\$ 66,487,164.21

**GLOUCESTER TOWNSHIP 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 (“the schedules”) include federal and state award activity of the Gloucester Township of School District 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. 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 are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise funds 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.

**Note 3: INDIRECT COST RATE**

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: 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 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$5,330.00) 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	\$ 256,255.26	\$ 64,879,255.85	\$ 65,135,511.11
Special Revenue	2,925,273.20	529,566.42	3,454,839.62
Debt Service		1,050,839.00	1,050,839.00
Food Service	1,599,250.49	27,502.94	1,626,753.43
Total Awards and Financial Assistance	<u>\$ 4,780,778.95</u>	<u>\$ 66,487,164.21</u>	<u>\$ 71,267,943.16</u>

**Note 5: 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 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent rounding adjustments.

**Note 7: 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, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 8: MAJOR PROGRAMS**

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

**GLOUCESTER TOWNSHIP 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?   X   yes      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>
93.778	1705NJ5MAP	Special Education--Medicaid Initiative
84.010	S010A160030	N.C.L.B. - Title I

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

Auditee qualified as low-risk auditee?   X   yes      no

GLOUCESTER TOWNSHIP 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**

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid - Public Cluster:
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5095-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5095-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5095-101</u>	<u>Professional Learning Community Aid</u>

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$1,715,656

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

**GLOUCESTER TOWNSHIP 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.

**Finding No. 2017-001**

**Criteria or Specific Requirement**

Per N.J.A.C. 6A:23A-16.12(c), regarding student activity funds, each district board of education and charter school board of trustees shall ensure, through adoption of a formal board policy, that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices.

Per N.J.A.C. 6A:23A-16.12(c)(2) and District policy 6660, disbursements shall be recorded chronologically showing date, vendor, check number, purpose, and amount. The district board of education or charter school board of trustees shall make all disbursements by check bearing a minimum of two authorized signatures, and shall support all disbursements by a claim, bill, or written order to persons supervising the fund.

**Condition**

Student activity fund transactions at certain schools did not comply with the regulations and the District's internal control policies regarding the disbursement of funds.

**Context**

The following was noted during our test of fifty-five student activity fund disbursements:

1. Two disbursements lacked sufficient supporting documentation.
2. Five checks lacked two authorizing signatures.
3. Eight disbursements lacked the proper approval form and/or the required authorizing signature on the approval form.

**Effect**

The District did not always comply with N.J.A.C. 6A:23A-16.12 and its internal control policies regarding student activity funds. Lack of compliance with internal controls increases the risk that an error may occur and not be detected.

**Cause**

Lack of proper oversight by school-level individuals responsible for administering student activity funds.

**Recommendation**

That the District comply with N.J.A.C 6A:23A-16.12 and its internal control policies regarding student activity funds.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.



**GLOUCESTER TOWNSHIP 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).

None.

**GLOUCESTER TOWNSHIP 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.

None.

**GLOUCESTER TOWNSHIP 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**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

